OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
PORTERVILLE REDEVELOPMENT AGENCY
SPECIAL MEETING
MAY 9, 2012, 9:00 A.M.
CITY HALL, 291 NORTH MAIN STREET
HAMAMATSU CONFERENCE ROOM
PORTERVILLE, CALIFORNIA

CALL TO ORDER
ROLL CALL
PLEDGE OF ALLEGIANCE

PRESENTATIONS
Swearing in of Board Members Dr. Rosa Carlson and Mr. Steve Tree by City Clerk

ORAL COMMUNICATIONS
This is the time for any person wishing to address the Oversight Board on any matter, whether or not it appears on this agenda. No action will be taken on any item not on the agenda unless the Oversight Board makes a determination that an emergency exists or that the need to take action on the item rose subsequent to the posting of the agenda. Public comments shall be limited to a maximum of three (3) minutes per person and an overall time period of fifteen minutes for items not considered on the regular agenda.

TRAINING
1. Former Porterville Redevelopment Agency Training – Question and Answer Period (no report)

SCHEDULED MATTERS
2. Oversight Board Minutes of April 11, 2012

3. Approval of Expenditure of Bond Funds for the Porterville Hotel Project
   Re: Considering approval of the use of the remaining Series B Redevelopment bond funds of approximately $1.9 million for the completion of the Porterville Hotel Project.

   Re: Considering adoption of a resolution approving the draft ROPS for the period of July 1, 2012, through December 31, 2012.

5. Scheduling of Future Meetings for the Oversight Board

CHAIR AND BOARD MEMBERS’ COMMENTS AND SUGGESTIONS

ADJOURNMENT

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Office of City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Materials related to an item on this agenda submitted to the Oversight Board after distribution of the agenda packet are available for public inspection during normal business hours at the Office of City Clerk, 291 North Main Street, Porterville, CA 93257, and on the City’s website at www.ci.porterville.ca.us.
Call to Order at 10:35 A.M.

Roll Call: City of Porterville appointee Mrs. Denise Marchant
County Board of Supervisors appointee Supervisor Mike Ennis
County Board of Supervisors appointed Mr. John Hess
Tulare County Office of Education appointee Dr. John Snavely (arrived after roll call)
Special District (Sierra View Local Health Care District) appointee Mr. Joseph A. Stewart.

Absent: City of Porterville appointee Mr. Steve Tree
Kern Community College Districts’ appointee Dr. Rosa Carlson

Pledge of Allegiance

PRESENTATIONS

I. Introduction of Oversight Board Members and Successor Agency Staff

Self introductions took place by the Board Members, as well as city staff members, including:

Community Development Director Brad Dunlap;
Community Development Director Project Manager Susan Duke;
Chief Deputy City Clerk Patrice Hildreth;
City Manager John Lollis (attending as an observer); and
Finance Director Maria Bemis (attending as an observer).

II. Swearing in of Board Members by City Clerk

Chief Deputy City Clerk Patrice Hildreth administered the oath of office to Oversight Board Members Marchant, Ennis, Hess, Snavely, and Stewart.

ORAL COMMUNICATIONS

• Greg Shelton, inquired whether the Board was to function solely in an oversight capacity, or would it also function in an advisory capacity, making note of the difference between the two.

Thomas Clark, Special Legal Counsel to the City of Porterville acting and serving as Successor Agency to the Porterville Redevelopment Agency, then arrived and was introduced by Mr. Dunlap.
INFORMATIONAL ITEMS

1. Overview of Assembly Bill x1 26 – Dissolution Act

Mr. Clark provided a brief overview of AB x1 26, and engaged the Board with a discussion of the suspension and dissolution of Agency powers; city agreements; the role of the Successor Agency; housing functions; the Oversight Board and its role; the role of the Auditor-Controller; and pending legislation.

2. Overview of the former Porterville Redevelopment Agency Activities

Mr. Dunlap presented an overview of the activities of the former Porterville Redevelopment Agency, which included a discussion on the amended project area and specific projects/properties including: Porterville Hotel, Villa Sienna Family Apartments, Stout Building, the Fourth Street vacant property, the vacant lot north of the Stout Building, and the parking lot located at Fourth Street and Morton Avenue.

In response to comments made by Porterville City Council Member Shelton relative to the Porterville Hotel project, Mayor Irish (who was in attendance as an observer) cautioned Council Member Shelton from commenting, noting three Council Members were present thereby constituting a quorum of the City Council. (Council Member McCracken was also in attendance as an observer.)

SCHEDULED MATTERS

3. Selection of officers for 2012; Designation of Oversight Board Secretary; and Designation of Identified Point of Contact for Department of Finance Review requests

Board Member Marchant nominated Dr. Snavely to serve as Chair. Ballots were then cast as follows:

- Board Member Snavely: Mr. Joe Stewart
- Board Member Marchant: Dr. John Snavely
- Board Member Ennis: Dr. John Snavely
- Board Member Hess: Dr. John Snavely
- Board Member Stewart: Dr. John Snavely

BOARD ACTION: MOVED by Board Member Stewart, SECONDED by Board Member Ennis, that the Board appoint Dr. John Snavely to serve as Chair of the Oversight Board of the Successor Agency to the Porterville Redevelopment Agency for a one-year term.

AYES: Ennis, Hess, Marchant, Stewart
NOES: None
ABSTAIN: Snavely
ABSENT: Carlson, Tree
Board Member Board Member Ennis nominated Mr. Stewart to serve as Vice Chair. Ballots were then cast as follows:

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Nominee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snavely</td>
<td>Mr. Joe Stewart</td>
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<tr>
<td>Marchant</td>
<td>Mr. Joe Stewart</td>
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<tr>
<td>Ennis</td>
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<tr>
<td>Hess</td>
<td>Mr. Joe Stewart</td>
</tr>
<tr>
<td>Stewart</td>
<td>Mr. Joe Stewart</td>
</tr>
</tbody>
</table>

**BOARD ACTION:** MOVED by Board Member Ennis, SECONDED by Board Member Hess, that the Board appoint Mr. Joe Stewart to serve as Vice Chair of the Oversight Board of the Successor Agency to the Porterville Redevelopment Agency for a one-year term.

**AYES:** Ennis, Hess, Marchant, Snavely, Stewart  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** Carlson, Tree

**BOARD ACTION:** MOVED by Board Member Stewart, SECONDED by Board Member Ennis that the Board designate the Secretary of the Oversight Board as Chief Deputy City Clerk of the City of Porterville; and designate the Community Development Director of the City of Porterville or designee as the designated point of contact for the California Department of Finance (“DOF”) relating to Oversight Board matters.

**AYES:** Ennis, Hess, Marchant, Snavely, Stewart  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** Carlson, Tree

**BOARD ACTION:** MOVED by Board Member Hess, SECONDED by Board Member Ennis that the Board adopt Oversight Board Resolution No. 2012-01 to include the newly adopted officers and designees.

**AYES:** Ennis, Hess, Marchant, Snavely, Stewart  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** Carlson, Tree

**Documentation:** Resolution 2012-01  
**Disposition:** Approved.

The Oversight Board recessed for ten minutes.
4. Oversight Board Review and Approval of Proposed Successor Agency Administrative Budget and Successor Agency Request to Oversight Board for Authorization to Enter into “Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan”

Mr. Dunlap presented the item. The board discussed the proposed budget, particularly with regard to salaries and administration costs. The Recognized Obligations Schedule (ROPS), Agenda Item No. 5, was also discussed at length with regard to the process, the “waterfall/cascade” of disbursements, and the fiduciary responsibilities of the Board.

Concerns were raised by Board Members as to the complexity of the dissolution process, and need for “redevelopment/successor agency 101” training was discussed.

BOARD ACTION: MOVED by Board Member Hess, SECONDED by Marchant that the Board approve the Successor Agency’s proposed Administrative Budget pursuant to Section 34177(j) of the Dissolution Act; authorize the Successor Agency to enter into an “Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan” (“Costs Reimbursement Agreement”) with the City of Porterville pursuant to Sections 34171(d)(1)(F) and 34178(a) of the Dissolution Act for reimbursement of costs incurred by the City to support Successor Agency operations and obligations consistent with the Administrative Budget proposed to be approved by the Successor Agency; and adopt Oversight Board Resolution No. 2012-03.

AYES: Ennis, Hess, Marchant, Snavely, Stewart
NOES: None
ABSTAIN: None
ABSENT: Carlson, Tree

Documentation: Resolution 2012-03
Disposition: Approved.

5. Review and Approval of:
   a. Recognized Obligations Schedule (ROPS)

Mr. Dunlap presented the item. Mr. Clark requested that based on information he received within the last 24 hours, Item Nos. 9, 12, 14, 15 and 16 be removed from the Recognized Obligation Payment Schedule (ROPS). A discussion ensued as to each of the obligations, and the process moving forward. Staff advised that Item No. 12 pertaining to the Porterville Hotel would be brought back to the Board at the next meeting.

Board Member Stewart voiced concern with his participation absent fully comprehending what was before the Board, and confirmed with staff and Mr. Clark that any material changes to the Board’s actions would be brought back before the Board in a timely fashion.
BOARD ACTION: MOVED by Board Member Ennis, SECONDED by Board Member Marchant that the Board approve the Recognized Obligation Payment Schedule (“ROPS”) adopted by the former Agency provided that should any modifications be required to ROPS by California Department of Finance (“DOF”), the Community Development Director and/or Community Development Project Manager shall be authorized designees for making any augmentation, modification, additions or revisions as may be necessary; and together with New Business Item 3.b adopt Oversight Board Resolution No. 2012-02.

AYES: Ennis, Hess, Marchant, Snavely, Stewart
NOES: None
ABSTAIN: None
ABSENT: Carlson, Tree

Documentation: Resolution 2012-02
Disposition: Approved.

b. Draft Recognized Obligation Payment Schedule (Draft ROPS)

At the Board’s request, this item was continued to the next meeting so as to provide additional time to attend a training session as well as give further review to the Draft ROPS.

Dissolution: Continued.

6. Affirm the Transfer by Operation of Law of the Former Redevelopment Agency’s Housing Assets and Responsibilities and all Rights, Powers, Duties and Obligations along with the encumbered Amounts from the Low and Moderate Income Housing Fund to the Porterville Housing Authority Pursuant to Sections 34176 and 34181

Mr. Dunlap presented the item. A brief discussion ensued as to the housing portion of redevelopment.

BOARD ACTION: MOVED by Board Member Ennis, SECONDED by Board Member Hess that the Board affirm the transfer of the former Agency’s housing assets and responsibilities and all rights, powers, duties and obligations along with the encumbered amounts from the Low and Moderate Income Housing Fund to the Porterville Housing Authority pursuant to Sections 34176 and 34181; and adopt Oversight Board Resolution to affirm the transfer of the former Agency’s housing assets and responsibilities and all rights, powers, duties and obligations along with the encumbered amounts from the Low and Moderate Income Housing Fund to the Porterville Housing Authority pursuant to Sections 34176 and 34181.
AYES: Ennis, Hess, Marchant, Snavely, Stewart
NOES: None
ABSTAIN: None
ABSENT: Carlson, Tree

Documentation: Oversight Board Resolution 2012-04
Disposition: Approved.

7. Scheduling of Future Meetings for the Oversight Board

A training session and next meeting were scheduled as follows:

May 9, 2012, 9:00 A.M. Training Session
May 9, 2012, 10:00 A.M. Board Meeting

CHAIR AND BOARD MEMBERS’ COMMENTS AND SUGGESTIONS
None

ADJOURNMENT
The Board adjourned at 12:20 P.M.

_________________________________
Patrice Hildreth, Board Secretary

_______________________________
John Snavely, Board Chairman
SUCCESSOR AGENCY OVERSIGHT BOARD AGENDA: MAY 9, 2012

SCHEDULED MATTERS

SUBJECT: APPROVAL OF EXPENDITURE OF BOND FUNDS FOR THE PORTERVILLE HOTEL PROJECT

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: At the April 11, 2012, Oversight Board meeting, the Board voted to approve the Recognized Obligation Payment Schedule (ROPS) after several items listed on the ROPS were removed in accordance with the recommendation of the Successor Agency’s legal counsel in responding to direction from the State Department of Finance (DOF). One of the line items removed was the Porterville Hotel Project to be funded with tax allocation bond proceeds. The Oversight Board was informed that the item would be brought back at the next Board meeting on May 9, 2012.

At the heart of this issue is AB1x26, which provides direction in regards to unspent bond proceeds, as follows:

- Section 34177(i) states that “bond proceeds shall be used for the purposes for which they were sold unless the purposes can no longer be achieved, in which case, the proceeds may be used to defease the bonds”

Of particular concern to the Porterville Hotel Project are the bond proceeds (the “Bond Proceeds”) for the Porterville Redevelopment 2008 Bond Series B (the “Bond”) which was the taxable portion of the bonds issued in 2008 for the purposes of redeveloping the Porterville Hotel property. The official statement states that the bonds, in the original principal amount of $2,110,000, “will be used to (a) finance redevelopment activities within or for the benefit of the redevelopment Project.” Upon recommendation of bond counsel, the language in the official statement of the bond documents was general to allow the Agency flexibility in structuring the deal for the hotel and related project(s). Although the bond documents are not specific regarding the proposed use of these bond proceeds, the record clearly establishes the Agency/City’s intent to acquire/redevelop the Porterville Hotel site with the Bond Proceeds. The existing unexpended balance of the Bond Proceeds is approximately $1.9 million.

Due to the economic conditions at the time, one of the main sources of funding was determined to be a refinancing of the 2002 Tax Allocation Refunding Bonds, which would provide the Agency with an infusion of cash to be utilized for projects within the Project Area. The following are
references to a series of actions by the Agency supporting the proposition that the Bond Proceeds were intended to be used for the Porterville Hotel.

- The February 12, 2008, staff report for the Study Session on Major General Fund, Redevelopment Agency and Revolving Fund Capital Projects stated “the proposed refinancing of the Redevelopment Bond Funds to use in the Porterville Hotel and Simpson Housing (replacement of a portion of the housing units lost with the Porterville Hotel) Projects”.

- The February 19, 2008, Redevelopment Agency staff report also stated, “It is envisioned that the proceeds from this refinancing will be directed to the Porterville Hotel and Simpson Housing (replacement of a portion of the housing units lost with the Porterville Hotel) Projects.” In the same agenda item, staff presented alternatives for the refunding and recommended the alternative “which would result in approximately $2.6 million in refinanced money that could be used for the Porterville Hotel and Simpson Housing projects. Approximately 80% could be directed to the Porterville Hotel and 20% to the replacement housing project.” The Redevelopment Agency approved proceeding with the bond issue.

- Subsequently, the Redevelopment Agency staff report for June 17, 2008, which was continued to the June 24, 2008, meeting, presented several options to refinance the current debt and provide additional funding for the Porterville Hotel project. In the table comparing the options, under the “Pros” category, all three stated “Enough funding to complete hotel project and assist construction of replacement housing.” At this point, it became clear that, due to the fact that the intended use of the bond proceeds for the Porterville Hotel project would involve private developers, the bond issue would need to be a combination of taxable and tax exempt bonds because of the private activity test limitations of pure tax exempt bonds. Since the interest rates on the taxable bonds are considerably higher than the tax exempt bonds, the Agency certainly would not have approved the issue including the taxable bonds without the definite intention of using the proceeds specifically for the Porterville Hotel Project. The Agency authorized staff to proceed with the refunding of the 2002 bond issue and the final authorization was completed on July 15, 2008, in a joint meeting of the City Council, the Redevelopment Agency, and the Porterville Public Financing Authority.

- While the refunding of the bond issue was in progress, the City Council and Redevelopment Agency directed staff to negotiate the acquisition of the Porterville Hotel site with the property owner, to negotiate with the Department of Housing and Community
Development (HCD) regarding their Deed of Trust and Regulatory Agreement recorded on the property, and to negotiate an Owner Participation Agreement with the housing developer for the new affordable project that would provide replacement units for those lost at the Porterville Hotel. Since that time, negotiations continued with all the parties with the first result being the completion of the Villa Siena affordable housing project on "E" St. that utilized the housing portion of the Bond Proceeds to assist in acquisition of the property and long term financing for the project. Negotiations with the Porterville Hotel property owner and HCD turned out to be much more onerous, but at this point, an agreement has been executed with HCD to pay the principal balance for the release of the State’s affordable housing regulatory agreement. This agreement is particularly necessary in order to proceed with negotiations with the owner of the Porterville Hotel. However, the Bond Proceeds are the only available funds to pay HCD per the agreement and acquire the property through negotiations.

Additionally, each of the following documents describes the intention of using the Bond Proceeds for the Porterville Hotel Project:

3. Adopted 2010-2015 Five Year Consolidated Plan (ConPlan)
5. Minutes from the 2008 Community Development Block Grant Citizens’ Advisory and Housing Opportunity Committee

The documents cited in this staff report are available in the Community Development Department for review.

Successor Agency’s legal counsel believes that there is sufficient evidence in the administrative record that the purpose of the remaining Redevelopment Bond Proceeds of approximately $1.9 million is to complete the Porterville Hotel Project, including acquisition and demolition, and that these funds should be considered encumbered according to Section 34177(i) of AB1x26.

RECOMMENDATION: That the Oversight Board consider adopting the draft resolution approving the use of the remaining Series B Redevelopment Bond Proceeds of approximately $1.9 million for the Porterville Hotel Project.
ATTACHMENT:

1. Draft Resolution
2. February 12, 2008 Staff Report
3. February 19, 2008 Staff Report
4. June 24, 2008 Staff Report
5. July 15, 2008 Staff report
RESOLUTION NO. ________

A RESOLUTION OF THE OVERSIGHT BOARD TO THE CITY OF PORTERVILLE, ACTING SOLELY IN ITS CAPACITY AS SUCCESSOR AGENCY TO THE PORTERVILLE REDEVELOPMENT AGENCY, APPROVING THE USE OF THE REMAINING BOND PROCEEDS BALANCE (APPROXIMATELY $1.9 MILLION) OF THE PORTERVILLE REDEVELOPMENT AGENCY 2008 SERIES B BONDS IN CONNECTION WITH THE PORTERVILLE HOTEL PROJECT WHICH MAY INCLUDE ACQUISITION, DEMOLITION, AND/OR MITIGATION

WHEREAS, the Porterville Redevelopment Agency ("Agency") was established as a community redevelopment agency duly organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, et seq. ("CRL"), and has been authorized to transact business and exercise the power of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Porterville ("City"); and

WHEREAS, the Redevelopment Plan as promulgated by the City Council and the governing board of the Agency ("Redevelopment Plan") and the boundaries of the Redevelopment Plan ("Project Area") were duly established and amended by ordinances of the City Council; and

WHEREAS, pursuant to the Redevelopment Plan the Agency sold its Porterville Redevelopment Agency 2008 Series B Bonds, with the intention of using a portion of the proceeds ("Bond Proceeds") for the purpose of financing the cost of acquiring and the Porterville Hotel site and demolishing the Porterville Hotel (the "Porterville Hotel Project"); and

WHEREAS, Parts 1.8 and 1.85 of Division 24 of the CRL were added by Assembly Bill X1 26 ("Dissolution Act"); and

WHEREAS, Part 1.85 of the CRL added by the Dissolution Act ("Part 1.85") provides for the statewide dissolution of all redevelopment agencies, including the Agency, and provides that, thereafter, a successor agency will administer the enforceable obligations of the former Agency and otherwise wind up its affairs, all subject to the review and approval of an Oversight Board; and

WHEREAS, by this resolution, the Oversight Board approves and authorizes the use of the balance of the Bond Proceeds for the Porterville Hotel Project; and

WHEREAS, the Oversight Board has duly considered this Resolution and has determined that the adoption of this Resolution is consistent with the intent and purpose of the Dissolution Act.

NOW THEREFORE THE OVERSIGHT BOARD TO THE CITY OF PORTERVILLE, ACTING SOLELY AS THE SUCCESSOR AGENCY TO THE PORTERVILLE REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:
Section 1. The foregoing Recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. Pursuant to the Dissolution Act, the Oversight Board hereby approves the use of the Bond Proceeds for the Porterville Hotel Project.

Section 3. The City Manager/Chairman of the Oversight Board, or his authorized designee, is further authorized and directed to transmit this Resolution to the County Auditor-Controller, the State Department of Finance, and the State Controller’s Office.

Section 4. The Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this _____ day of __________, 2012.

John Snively, Chair
Oversight Board to the City of Porterville,
acting as Successor Agency to the Porterville Redevelopment Agency

ATTEST:

Secretary of the Oversight Board
STATE OF CALIFORNIA  )
COUNTY OF TULARE    ) ss.

I, ____________, City Clerk of the City of Porterville, hereby certify that the above
and foregoing Resolution was duly and regularly adopted by the Oversight Board to the
City of Porterville, acting solely in its capacity as Successor Agency to the Porterville
Redevelopment Agency at a regular meeting thereof held on the ____ day of
__________, 2012, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and seal this ____ day
of __________, 2012.

__________________________
City Clerk
SUBJECT: STUDY SESSION ON MAJOR GENERAL FUND, REDEVELOPMENT AGENCY AND REVOLVING FUND CAPITAL PROJECTS

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: At the City Council meeting of September 4, 2007, the City Council directed staff to schedule a study session on the South Jay Street Project with an emphasis on identifying potential funding sources to facilitate construction of the project. The City Council’s commitment to seeing this project constructed was evidenced by it being designated as one the City’s top priorities for 2008/2009. At the epicenter of the most substantial development currently occurring in the City, substantial resources have already been directed toward Jaye Street and State Route (SR) 190 improvements. Stopping at this level of improvements would limit the overall benefit of the improvements and would miss the opportunity to complete the effort and open the door to even more job growth and circulation system improvements.

As discussed at the Goals and Priority Projects Council Meeting on December 8, 2007, the City Council identified a number of projects that would represent the majority work effort for the City over the next few years. Among the identified projects is the new courthouse and interrelated fairgrounds and sports complex. The need to accommodate the state’s timeline for a new courthouse on the existing fairgrounds site, and the resulting affect that has on the fairgrounds and potentially the existing sports complex are driving the timeline to establish a plan for replacing and funding new facilities.

Many of the identified projects are multiple year projects, are interconnected with other significant projects, or are projects that are under- or non-funded. A number of projects continue to mature in their urgency and significance and staff has expanded the focus of the study session to explore the Council’s desire to identify funding to provide financing for multiple significant projects. Since context is so important in decision making, this presentation also offers the Council a frame of reference for deciding on what projects to secure funding for.

ANALYSIS: As is evidenced by the list of projects, any number of the priority projects have the potential to substantially shape the face of the City and will play a very significant role in the City’s future. Projects on this list are either tied to substantial jobs creation, vital to downtown, capacity building for existing streets, parks and other infrastructure, and provide linkages for economic growth and vitality. The majority of the projects center around or stem from either the courthouse project or the substantial commercial development at Jaye Street and SR 190. A few of the other projects such as rehabilitating Olive Avenue and Henderson Avenue are major cross-city travel-ways but would likely remain unfunded through this funding initiative.

The attached exhibit identifies two tiers of projects that could be funded through a $27 million Certificates of Participation (COP) issuance. The first tier, with yellow
background, includes projects the Council identified as organizational priorities at their study session on December 8, 2007. A second tier of projects, shown in blue, are projects proposed for funding based on the above criteria. A third tier identifies capital projects that fall below the funding threshold and would require funding through a different source; either through annual funding allotments, grant funds or other sources. During the Capital Improvement Program process, developed with the annual budget, Staff will evaluate the remaining projects relative to available funding and make recommendations to the City Council for further action.

It is also important to note that on the attached table there is a recommended plan for servicing the $27 million in debt resulting from the new COP’s; however, some significant decisions need to be made to define the funding stream for debt service. For example, the plan proposes to evaluate the existing municipal franchise fees and determine whether findings can be made warranting an increase that has the potential to raise approximately $900,000 per year. Staff is also proposing to evaluate existing transportation impact fees to determine the extent of increases that are appropriate. Park impact fees could be evaluated for the sports fields improvements that are consistent with the current Parks Master Plan and existing/proposed General Plan. While proposing to evaluate these existing fees at this time, Staff has previously indicated in public forums that once the General Plan update is complete, the City’s impact fees need to be evaluated to ensure their adequacy to implement the General Plan. This initial review is only intended to look at the current fee structure and adjust the fees as appropriate. Subsequent to the General Plan’s adoption, a complete study will be performed.

To assist the City with evaluating the current fees, Staff proposes utilizing Willdan Associates to undertake the study. It is anticipated that this effort will cost approximately $20,000, which can be allocated from unallocated carryover funds. Staff has a meeting scheduled with Willdan to discuss the specifics on Friday, February 8 but subsequent to the preparation of this report. Staff will update the Council on any changes in information stemming from the meeting.

A major cost component of the new COP’s is for the construction of a new sports complex in the vicinity of Porterville College or other area accessible to the community and that may be developable as a joint facility. Attached to the financial data table is a description of the potential sports facilities that could be developed with new COP’s. This provides for two basic scenarios as follows:

The first would be the placement of a fairgrounds at the existing airport Sports Complex. This would displace a portion of the unlighted playing fields requiring the replacement of the displaced fields. The identified funding would allow for the acquisition of approximately 25 acres and the development of a number of new lighted ball fields as highlighted in the attached notes.

The second scenario would essentially mirror the first except that the new complex would be a joint project where another agency(s) might acquire the land and/or
undertake some shared development activity and to accommodate shared usage. In this scenario, funds conserved through the joint agency involvement could be directed to the existing Heritage Center ball fields project.

In either event, there are significant benefits to having multiple locations, having lighted facilities, more accessible locations and opportunity to maximize the use of the facilities to achieve a greater return on investment. Under each of these scenarios there would be an agreement with the Fair to allow the use of the remaining ball fields at the airport Sports Complex for community athletic programs.

Secondary in magnitude to the COP funding strategy is the proposed refinancing of the Redevelopment Bond Funds to use in the Porterville Hotel and Simpson Housing (replacement of a portion of the housing units lost with the Porterville Hotel) Projects. An initial indication of benefit would result in approximately $2.6 million in refinanced money that could be used for the above projects. Approximately 80% could be directed to the Porterville Hotel and 20% to the replacement housing project. At this time staff is introducing the matter and is anticipating bringing the details of the refinancing and project financing to the meeting of February 19, 2008. As anticipated, the bond refinancing would not result in an increase in annual debt service, but would extend the life of the bond issuance from maturity in 2022 to 2037. In addition, refinancing the debt would have a neutral effect on future debt whether the project area is enlarged or maintained at its current size.

RECOMMENDATION: That the City Council:

1. Approve the expanded list of capital projects;
2. Undertake an analysis of the existing Municipal Franchise Fees, Park Impact Fees and Transportation Impact Fees to define available funds prior to issuing new Certificates of Participation;
3. Authorize Willdan Associates to undertake the study;
4. Authorize the allocation of $20,000 in unallocated carryover for the study;
5. Approve the funding strategy for implementation of the projects; and
6. Authorize staff to proceed with scheduling the Redevelopment Agency Bond Refinance for consideration at the meeting of February 19, 2008.

Attachments: 1. Table of Major General Fund, Redevelopment, and Revolving Fund Capital Projects
2. Project Locator Map
## MAJOR GENERAL FUND, REDEVELOPMENT AND REVOLVING FUND CAPITAL PROJECTS

### CITY COUNCIL APPROVED PRIORITY PROJECTS

<table>
<thead>
<tr>
<th>Project</th>
<th>EST. COST OF PROJECTS</th>
<th>ALLOCATED FUNDS FROM OTHER SOURCES</th>
<th>ADDITIONAL PROPOSED FOR FY 08/09 COP ISSUANCE</th>
<th>Notes</th>
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<tr>
<td>Courthouse (Demo)</td>
<td>$500,000</td>
<td>Property sales $2.5 to $3M</td>
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<tr>
<td>Fairgrounds</td>
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<td>Property sales $2.5 to $3M</td>
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<td>Sports Complex (25 acres)</td>
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<td>$15,000,000</td>
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<td>New Library</td>
<td>$220,000</td>
<td>Measure H</td>
<td>Study - Funds already allocated</td>
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<td>South Jay Street/Gibbons</td>
<td>$3,600,000</td>
<td>New COP’s $2.8M Prop 1B $800,000</td>
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<td>Comprehensive Zoning Code Update</td>
<td>$275,000</td>
<td>General Fund</td>
<td>Currently in process and fully funded</td>
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<tr>
<td>New Public Safety Station</td>
<td>$6,000,000</td>
<td>Measure H</td>
<td>Preferred site identified but contingent on street improvements</td>
<td></td>
</tr>
<tr>
<td>Technology Assessment</td>
<td>$100,000</td>
<td></td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>Indiana Street Low Water Crossing</td>
<td>$3,750,000</td>
<td>$100,000 General Fund (Ent. Zone) $200,000 Civic Dev. Foundation</td>
<td>Currently in process and fully funded</td>
<td></td>
</tr>
<tr>
<td>Redevelopment Amendment/Commons Master Plan</td>
<td>$200,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effluent Pipeline and Land Leveling of Sewer Property</td>
<td>$650,000</td>
<td>$650,000</td>
<td>CIEDB</td>
<td></td>
</tr>
<tr>
<td>Jaye Street Widening 190 to Springville</td>
<td>$5,949,700</td>
<td>Measure R, Sewer Developer Fees, COP’s</td>
<td>Currently in process and fully funded</td>
<td></td>
</tr>
</tbody>
</table>

**Total Priority Projects**: $40,279,000  $20,650,000

### STAFF - MAJOR PRIORITIES

<table>
<thead>
<tr>
<th>Project</th>
<th>EST. COST OF PROJECTS</th>
<th>ALLOCATED FUNDS FROM OTHER SOURCES</th>
<th>ADDITIONAL PROPOSED FOR FY 08/09 COP ISSUANCE</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poplar Road Extension</td>
<td>$1,200,000</td>
<td>$1,200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revolving Loan Fund</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main Street/Hwy 190 Project Study Report</td>
<td>$200,000</td>
<td>$200,000</td>
<td>This project is on the Measure R regional project list</td>
<td></td>
</tr>
</tbody>
</table>

**Total Staff - Major Priorities**: $3,400,000  $3,400,000

### UNFUNDED PROJECTS

<table>
<thead>
<tr>
<th>Project</th>
<th>EST. COST OF PROJECTS</th>
<th>ALLOCATED FUNDS FROM OTHER SOURCES</th>
<th>ADDITIONAL PROPOSED FOR FY 08/09 COP ISSUANCE</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heritage Center Ballfields</td>
<td>$4,800,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jaye Street Bridge (2 year delay)</td>
<td>$9,870,000</td>
<td>$1,095,000 COP, HBRR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>chained - Tule River Bridge Widening</td>
<td>$7,825,000</td>
<td>$7,165,000 COP, HBRR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Henderson Ave. Reconstruction Indiana to Jave</td>
<td>$775,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Henderson Ave. Reconstruction Jaye to Main (Storm Dr. Excluded)</td>
<td>$710,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olive Avenue &quot;E&quot; Street to Hwy 65</td>
<td>$587,000</td>
<td>$587,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Westwood St. Henderson Ave. past Slough - Phase I</td>
<td>$1,550,000</td>
<td>$1,550,000 COP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Westwood St. past Slough to Westfield - Phase II</td>
<td>$822,000</td>
<td>$822,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JC Penney Site Redevelopment</td>
<td>$540,000</td>
<td>$540,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Library Construction</td>
<td>$14,250,000</td>
<td>$14,250,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Unfunded**: $40,529,000  $22,475,000

**Grand Total**: $84,208,000  $46,525,000

### Funding Sources

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of Balance</td>
<td>$27,000,000</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$1,685,000</td>
</tr>
<tr>
<td>Enterprise Fund</td>
<td>$100,000</td>
</tr>
<tr>
<td>interest earnings on Reserve Fund</td>
<td>$37,760</td>
</tr>
<tr>
<td>Total Unfunded</td>
<td>$22,475,000</td>
</tr>
</tbody>
</table>

### Possible Funding Sources

- Certificates of Participation
- Land/Water Conservation
- OMAQ
- Revenue Anticipation Note
- Prop. 1B (07/08 & 08/09)
- EDA Grant
- STP (2008/09)
- RDA Bond Refinance
- LTF/Gas Tax (2008/09)

### Variables

- State Budget Crisis
- Local Gas Tax
- RDA ERAF
- Other
Sports Complex - The $15 million would include the following:
1. Design, Construction management and inspection for 25+/- acres
2. Rough Grading
3. Various utility system extensions/services and drainage improvements
4. Street improvements to service/front the site
5. Parking lot and walkway improvements
6. Concession-stands/core keeping and restroom building(s)
7. Lighting system installation
8. Lighting system(s) for parking and walkway areas
9. Lighting system(s) for sport field areas
10. Trees and shrubs around the parking, walkway, picnic, spectator seating and site perimeter
11. Fine grading and surface for sport fields of the type and quantity that the site and need necessitate
12. Spectator seating and backstopt, dugouts, site fencing, outfield fencing, picnic tables and group shade facilities
13. Equipment storage and material bunkers
14. Land acquisition

There are a number of ballpark options for a proposed Sports Complex that would include 4 to 8 full size (high school/adult baseball, softball, soccer or football fields; 8 to 12 youth size baseball/softball fields; or 12 to 20 youth size soccer/football fields or a combination of the above. This would also provide for some hard courts for basketball, tennis, handball, etc. and tot lots.

Heritage Center Ballfields - $4.8 million would include the following:
- Three full size lighted softball fields and three basketball courts.
- (The site is very tight due to its irregular configuration)
SUBJECT: REFUNDING REDEVELOPMENT AGENCY 2002 TAX ALLOCATION REFUNDING BONDS

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: During the February 12, 2008 adjourned meeting of the Porterville City Council, the Council authorized staff to bring to the Porterville Redevelopment Agency information regarding refinancing of the 2002 Tax Allocation Refunding Bonds. Due to the reduced interest rates for tax exempt bonds, refinancing at this time would provide the Agency with an infusion of cash to be utilized for projects within the Project Area. It is envisioned that the proceeds from this refinancing will be directed to the Porterville Hotel and Simpson Housing (replacement of a portion of the housing units lost with the Porterville Hotel) Projects.

Since 2002, the Redevelopment Agency has realized an increase in the incremental assessed valuation of property within Project Area No. 1 of 34.6%. As such, the Bonds would be in a favorable position for refinancing. John Fitzgerald, Managing Director of Fitzgerald Public Finance, a division of Wulff, Hansen & Co., has provided staff with refunding alternatives as follows:

1. Receive annual savings of $36,814, keep the same maturity date of 2022.

2. Take savings upfront ($403,000), keep the same maturity date of 2022, and maintain the current annual debt service for the bonds.

3. Take savings upfront ($2,638,000), extend the maturity date to 2037, and maintain the current annual debt service for the bonds.

The figures shown above are preliminary and are anticipated to change somewhat relative to rates available at the time of bond funding.

Staff is recommending Alternative 3, which would result in approximately $2.6 million in refinanced money that could be used for the Porterville Hotel and Simpson Housing projects. Approximately 80% could be directed to the Porterville Hotel and 20% to the replacement housing project. Under any of the alternatives, the bond refinancing would not result in an increase in annual debt service, but would extend the life of the bond issuance maturity from 2022 to 2037. In addition, refinancing the debt would have a neutral effect on future debt whether the project...
area is enlarged or maintained at its current size. Additionally, the original issuance and the 2002 refunding were non-rated. At this time, the Agency's refunding is expected to qualify for bond insurance and AAA rating. Prior to obtaining insurance on the Bond issue, a fiscal analysis of the Redevelopment Project Area No. 1 will need to be prepared. Staff is anticipating using the successful financial consultant from the current selection process which will be presented to the Council for approval at the March 4, 2008 City Council meeting.

If the Agency Board wishes to take this opportunity to refinance the tax allocation bonds for Project Area No. 1, it would be appropriate at this time to appoint the financing team and authorize the Chairman, Executive Director, Secretary and Treasurer to sign all appropriate documents. By adopting the resolutions, the process for issuing the proposed Tax Allocation Bonds can begin. All agreements will specifically provide that no fees or expenses are due to either bond counsel or disclosure counsel, or underwriter, unless bonds are sold, and all such fees and expenses are to be paid out of bond proceeds only. If bonds are not sold, nothing is due to bond counsel or disclosure counsel, or to the underwriter. Furthermore, Fee Agreements for bond counsel, disclosure counsel, and the underwriter shall be submitted for consideration and approval by the Board at a later date.

RECOMMENDATION: That the Redevelopment Agency:

1. Adopt a resolution appointing the firm of Raymond Haight, Attorney at Law, to serve as bond counsel for the proposed bond issue; and

2. Adopt a resolution appointing the firm of Raymond Haight, Attorney at Law to serve as disclosure counsel for the proposed bond issue; and

3. Adopt a resolution appointing the firm of Wulff, Hansen, & Company as underwriter for the proposed bond issue; and

4. Authorize the Chairman, Executive Director, Secretary, and Treasurer to sign all documents necessary to achieve the refunding.

Attachments: 1) Draft Resolution of Intention to Authorize the Issuance of Tax Allocation Bonds

2) Draft Resolution Appointing Bond Counsel and Disclosure Counsel, and an Underwriter for Issuance of Tax Allocation Bonds
REDEVELOPMENT AGENCY OF THE CITY OF PORTERVILLE

RESOLUTION NO. PRA 2008-___

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF PORTERVILLE OF INTENT TO AUTHORIZE THE ISSUANCE OF THE AGENCY'S TAX ALLOCATION BONDS FOR THE PURPOSE OF REFUNDING THE AGENCY'S EXISTING BOND DEBT TO PROVIDE FUNDS FOR CERTAIN CAPITAL IMPROVEMENTS

(2008 TAX ALLOCATION REFUNDING AND CAPITAL IMPROVEMENT BONDS: REDEVELOPMENT PROJECT AREA NO. 1)

WHEREAS, the Redevelopment Agency of the City of Porterville (the "Agency") is a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 [commencing with Section 33000] of the Health and Safety Code of the State of California), and the powers of the Agency include the power to issue bonds or notes for any of its corporate purposes; and

WHEREAS, initially the City Council of the City of Porterville adopted a redevelopment plan for the project area known as the "Porterville Redevelopment Project Area No. 1," which was originally approved and adopted by Ordinance No. 1436, effective on July 3, 1990; and

WHEREAS, the Agency previously issued its 2002 Tax Allocation Refunding Bonds, dated February 1, 2002 (the "2002 Bonds"), in the original principal amount of $6,100,000, the proceeds of which were utilized, among other things, to advance refund the previously issued $6,185,000 Porterville Public Financing Authority 1992 Revenue Bonds, Series A (Porterville Redevelopment Project Area No. 1); and the Agency is desirous, among other things, of refunding the remaining unpaid principal balance of the 2002 Bonds, together with any interest and/or premium that may be due thereon, as well as to provide funds for certain capital improvements to be effected within Redevelopment Project Area No. 1; and

WHEREAS, for the corporate purposes of the Agency, the Agency does hereby declare its intention to refund the aforesaid 2002 Bonds and provide funds for certain capital improvements beneficial to the Redevelopment Project Area No. 1, establish a reserve fund and pay costs of issuance in connection with the bonds, as hereinbelow set forth;

NOW, THEREFORE, IT IS HEREBY ORDERED AND DETERMINED by the Board of Directors of the Redevelopment Agency of the City of Porterville, as follows:

Section 1. The Agency Board does hereby declare that it is its intention to cause the issuance of Tax Allocation Bonds ("Tax Allocation Bonds") by the Agency to provide funds for effecting certain capital improvements beneficial to the Redevelopment Project Area No. 1. The par amount of the Tax Allocation Bonds will be determined at a later date.
Section 2. The Agency intends to sell the Bonds to the Porterville Public Financing Authority for the purchase price and upon the terms set forth in a Bond Purchase Contract to be approved at a later date.

Section 3. That the public interest and necessity demand the refunding and capital improvements contemplated herein.

Section 4. That no costs are incurred by the Agency in this effort unless the 2002 Tax Allocation Bonds are refunded.

Section 5. That Fee Agreements for Bond Counsel, Disclosure Counsel, and Underwriter shall be submitted to the Agency Board for approval either prior to, or in conjunction with, approval to fund the 2008 Tax Allocation Bonds.

Section 6. This resolution shall take effect immediately upon its adoption.

Cameron Hamilton, Chairman

ATTEST:

John Longley, Secretary

(SEAL)
CERTIFICATE OF THE SECRETARY TO THE BOARD

I, the undersigned Secretary to the Board of Directors of the Redevelopment Agency of the City of Porterville, do hereby certify that the foregoing resolution was adopted by the Board of Directors of the Redevelopment Agency of the City of Porterville, at a regular meeting thereof on the 19th day of February 2008 by a majority of the members voting thereon, a quorum being present; and that the aforesaid resolution is a true and correct copy of said original thereof on file in my office.


John Longley, Secretary to the Board
REDEVELOPMENT AGENCY OF THE CITY OF PORTERVILLE

RESOLUTION NO. PRA 2008-__

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF PORTERVILLE APPOINTING BOND COUNSEL, DISCLOSURE COUNSEL, AND UNDERWRITER FOR ISSUANCE OF TAX ALLOCATION BONDS TO REFUND THE AGENCY’S 2002 TAX ALLOCATION REFUNDING BONDS AND TO PROVIDE FUNDS TO EFFECT CERTAIN CAPITAL IMPROVEMENTS BENEFICIAL TO REDEVELOPMENT PROJECT AREA NO. 1

(2008 TAX ALLOCATION REFUNDING AND CAPITAL IMPROVEMENT BONDS: REDEVELOPMENT PROJECT AREA NO. 1)

RESOLVED, by the Board of Directors ("Board") of the Redevelopment Agency of the City of Porterville ("Agency") that:

WHEREAS, the public interest and general welfare will be served by appointing and employing bond counsel and disclosure counsel, and an underwriter for the conduct of proceedings in connection with the issuance of Tax Allocation bonds, the proceeds of which will be used, for the purpose of refunding the remaining outstanding principal amount, together with any interest and premium due thereon, of those certain Porterville Redevelopment Project Area No. 1, 2002 Tax Allocation Bonds (the "2002 Bonds"), dated February 1, 2002, and issued in the original principal amount of $6,100,000, to provide funds for effecting certain capital improvements beneficial to the Redevelopment Project Area No. 1, to establish a reserve fund, and to pay costs of issuance in connection therewith; and

WHEREAS, the Agency is desirous of appointing and employing bond counsel, disclosure counsel, and an underwriter;

NOW, THEREFORE, IT IS ORDERED AND DETERMINED AS FOLLOWS:

1. That Raymond M. Haight, Attorney at Law, Scotts Valley, California, be, and he is hereby appointed and employed as bond counsel to do and perform all legal services required in the conduct of said proceedings, including the preparation of all required legal papers, examining and approving the legal documents in connection therewith, advising all Agency officials on all matters relating thereto when called upon, and furnishing a legal opinion on the validity of said proceedings and bonds;

2. That Raymond M. Haight be, and he is hereby appointed and employed as disclosure counsel to do and perform necessary disclosure services in connection with the issuance of bonds, including, without limitation, preparation of a preliminary and final official statement, preparing a 10b-5 opinion, preparing a Bond Purchase agreement and Continuing Disclosure document.
3. That the services to be provided by Raymond M. Haight, as Bond Counsel and Disclosure Counsel, and his compensation therefore, shall be set forth in the form of a Fee Agreement to be submitted for consideration and approval by the Board at a later date. The fees and expenses of bond counsel and disclosure counsel shall be assessed as an incidental expense of the proceedings, payable from bond proceeds and not otherwise. If bonds are not issued, no fees or expenses shall be due.

4. That Wulff, Hansen & Company, San Francisco, California, is hereby appointed as underwriter in connection with the issuance of the proposed Tax Allocation bonds, to do and perform all things customarily performed by an underwriter with respect to the issuance of such bonds, which services as well as the compensation therefor shall be as set forth in the form of the Bond Purchase Contract to be submitted for consideration and approval by the Board at a later date, provided that the same shall contain a provision that the fees and expenses of said underwriter shall be assessed as an incidental expense of the proceedings, payable from bond proceeds and not otherwise. If bonds are not issued, no fees or expenses shall be due.

5. This resolution shall take effect immediately upon its adoption.

Cameron Hamilton, Chairman

ATTEST:

John Longley, Secretary

(SEAL)
CERTIFICATE OF THE SECRETARY TO THE BOARD

I, the undersigned Secretary to the Board of Directors of the Redevelopment Agency of the City of Porterville, do hereby certify that the foregoing resolution was adopted by the Board of Directors of the Redevelopment Agency of the City of Porterville, at a regular meeting thereof on the 19th day of February 2008 by a majority of the members voting thereon, a quorum being present; and that the aforesaid resolution is a true and correct copy of said original thereof on file in my office.


John Longley, Secretary to the Board
REDEVELOPMENT AGENCY AGENDA: JUNE 24, 2008

SUBJECT: REDEVELOPMENT BOND ISSUE REFINANCING

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: As the Redevelopment Agency is aware, the City Council and the Agency have authorized staff to proceed with due diligence on the Porterville Hotel project. In an effort to accomplish the desired outcome of demolishing the existing hotel building(s) and assisting a developer in constructing replacement housing for the units lost at the Porterville Hotel, staff has been researching the possibility of refinancing the existing Redevelopment 2002 Bond Issue which is divided between the general redevelopment fund and the required 20% in the low-moderate housing fund. Several options have been developed that will refinance the current debt and provide additional funding for this project.

In discussions with the bond counsel, it became clear that a combination of taxable and tax exempt bonds would be most desirable due to the private activity test limitations of pure tax exempt bonds. In a tax exempt issuance, only 5% of the proceeds may be used for private activity with for profit entities, such as developers. Whereas, taxable bonds do not carry the constraint of staying within the 5%. In other words, when the property is cleared and leveled for development, the Agency would be able to sell the property at fair market value to a developer if taxable bonds are issued. However, if the tax exempt bonds were expended for the project, the Agency would be required to grant most of the property to a developer which in turn could create the trigger for prevailing wages to be paid on the construction project. This would likely make such a future project infeasible.

The attached three options (Attachment 1) have been developed between staff and bond counsel to be the most desirable alternatives. The difference in the options is the total amount of additional bond proceeds, the division of the bonds between taxable and tax exempt, and the amount of debt service from each fund. Current debt service on the 2002 bond issue is approximately $495,000 annually.

Interest rates on the tax exempt issuance over the 30 year period range from 2.4% to 4.85% and the interest rate on the taxable portion remains constant at 7.25%. All figures presented are preliminary and are subject to change by bond closing date. However, these figures are intended to represent the magnitude of the bond refinance. Staff is intending on presenting the final approval of the refinance at the July 15, 2008 meeting as per the attached schedule (Attachment 2).
RECOMMENDATION: That the Redevelopment Agency authorize staff to proceed with the refinancing of the 2002 bond issue utilizing Option 1, provided that the numbers don't substantially change.

Attachment: 1. Refinancing Options
2. Financing Schedule
## Redevelopment Bond Issue Refinancing Options

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from refinance for projects: (taxable)</td>
<td>Proceeds from refinance for projects: (tax exempt)</td>
<td>Proceeds from refinance for projects: (tax exempt)</td>
</tr>
<tr>
<td>Proceeds from refinance for housing: (taxable)</td>
<td>Proceeds from refinance for housing: (taxable)</td>
<td>Proceeds from refinance for housing: (taxable)</td>
</tr>
<tr>
<td>Total Debt Service</td>
<td>Total Debt Service</td>
<td>Total Debt Service</td>
</tr>
<tr>
<td>$5,025,875</td>
<td>$5,025,875</td>
<td>$5,025,875</td>
</tr>
<tr>
<td>$2,162,950</td>
<td>$2,000,000</td>
<td>$2,160,000</td>
</tr>
<tr>
<td>$544,850</td>
<td>$540,000</td>
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</tr>
<tr>
<td>$562,000</td>
<td>$499,000</td>
<td>$509,500</td>
</tr>
</tbody>
</table>

### Pros

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enough funding to complete hotel project and assist construction of replacement housing</td>
<td>Enough funding to complete hotel project and assist construction of replacement housing</td>
<td>Enough funding to complete hotel project and assist construction of replacement housing</td>
</tr>
<tr>
<td>$67,000 in additional annual debt service will be funded from tax increment</td>
<td>Proceeds exclude funds available for contingencies</td>
<td>Proceeds limit funds available for contingencies</td>
</tr>
<tr>
<td>Provides the greatest flexibility for structuring future project deals</td>
<td>Higher interest rate on taxable portion of bonds</td>
<td>Taxable bonds for the Housing don't trigger private activity rules (5%)</td>
</tr>
<tr>
<td>Taxable bonds don't trigger private activity rules (5%)</td>
<td>Bond issuance cost is higher than Options 2 &amp; 3: ($534,125)</td>
<td>Bond issuance cost is mid point: ($544,125)</td>
</tr>
<tr>
<td>Project property can be sold to developer at market value</td>
<td>Only $4,000 increase in debt service</td>
<td>Project property must be granted or sold at below market rate</td>
</tr>
<tr>
<td>Prevailing wage would likely not be required on commercial construction</td>
<td>Housing assistance can be structured as a loan so that debt service can be used for repayment of other Agency debts</td>
<td>Housing assistance can be structured as a loan so that debt service can be used for repayment of other Agency debts</td>
</tr>
<tr>
<td>Housing assistance can be structured as a loan so that debt service can be used for repayment of other Agency debts</td>
<td>Prevailing wage will be required on construction of new commercial building</td>
<td>Prevailing wage will be required on construction of new commercial building</td>
</tr>
</tbody>
</table>

### Cons

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

**ATTACHMENT NO. 1**
### Financing Schedule
(As of June 5, 2008)

<table>
<thead>
<tr>
<th>DATE</th>
<th>ACTIVITY</th>
<th>PARTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/19/08</td>
<td>Agency approves resolution of intention to issue 2008 Tax Allocation Bonds (Bonds) and appointing bond and disclosure counsel and underwriter</td>
<td>Complete</td>
</tr>
<tr>
<td>3/20/08</td>
<td>Agency selects Fiscal Consultant, Rosenow Sevacek Group, Inc.</td>
<td>Complete</td>
</tr>
<tr>
<td>3/28/08</td>
<td>Fiscal Consultant authorized to begin Fiscal Consultant Report</td>
<td>Complete</td>
</tr>
<tr>
<td>5/09/08</td>
<td>First draft of Fiscal Consultant Report distributed</td>
<td>Complete</td>
</tr>
<tr>
<td>5/23/08</td>
<td>Final draft of Fiscal Consultant Report distributed</td>
<td>Complete</td>
</tr>
<tr>
<td>6/17/08</td>
<td>Council session to select financing alternative</td>
<td>Agency</td>
</tr>
<tr>
<td>6/18/08</td>
<td>Financing structure given go-ahead</td>
<td>Agency</td>
</tr>
<tr>
<td>6/23/08</td>
<td>Distribute first draft POS and legal documents</td>
<td>BC/DC, UC</td>
</tr>
<tr>
<td>6/25-26/08</td>
<td>Conference call to review draft POS and legal documents</td>
<td>All</td>
</tr>
<tr>
<td>7/03/08</td>
<td>Distribute second draft POS and legal documents to Agency staff</td>
<td>BC/DC, UC</td>
</tr>
<tr>
<td>7/09/08</td>
<td>Distribute final draft of legal documents and POS to City Clerk for July 15th agenda, including to rating agency and bond insurers</td>
<td>BC/DC, UC, U</td>
</tr>
<tr>
<td>7/15/08</td>
<td>Agency approves Bond issue and authorized distribution of POS and Executive Director to sign the Bond Purchase Agreement</td>
<td>Agency</td>
</tr>
<tr>
<td>7/17/08</td>
<td>Print and mail POS</td>
<td>BC/DC, UC, U</td>
</tr>
<tr>
<td>7/21/08</td>
<td>Receive rating and select bond insurer</td>
<td>U</td>
</tr>
<tr>
<td>7/29/08</td>
<td>Price Bond issue</td>
<td>U</td>
</tr>
<tr>
<td>7/30/08</td>
<td>Sign Bond Purchase Agreement</td>
<td>Agency, U</td>
</tr>
<tr>
<td>8/11/08</td>
<td>Pre-closing</td>
<td>All</td>
</tr>
<tr>
<td>8/12/08</td>
<td>Closing and Agency receives proceeds</td>
<td>BC/DC, UC, U, Agency</td>
</tr>
</tbody>
</table>

**Parties**
- **Agency**: Porterville Redevelopment Agency (Issuer)
- **BC/DC**: Raymond M. Haight, Attorney at Law (Bond and Disclosure Counsel)
- **U**: Wulff, Hansen & Co. (Underwriter)
- **UC**: Quint & Thimmig LLP (Underwriter's Counsel)
- **FC**: Rosenow Sevacek Group, Inc. (Fiscal Consultant)

Council meets 1st and 3rd Tuesdays.
AGENDA: JULY 15, 2008

JOINT MEETING OF
PORTERVILLE CITY COUNCIL,
PORTERVILLE REDEVELOPMENT AGENCY,
AND
PORTERVILLE PUBLIC FINANCING AUTHORITY

SUBJECT: REFUNDING REDEVELOPMENT TAX ALLOCATION BONDS

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: At the June 17, 2008 Redevelopment Agency meeting, staff was directed to proceed with the refunding of the 2002 Tax Allocation Refunding Bonds for the purpose of financing the Porterville Hotel Project.

Attached for the City Council, Redevelopment Agency, and Public Finance Authority’s information are two (2) Interoffice Memorandums from Raymond Haight, Bond Counsel, explaining the refunding process for both the housing and non-housing portions of the bond issuance and summaries of Resolutions to be adopted, order of adoption, and actions to be taken.

At the February 19, 2008 Redevelopment Agency meeting, the Agency appointed the law firm of Raymond Haight as Bond Counsel and Disclosure Counsel and the firm of Wulff, Hansen & Company as underwriter. Additionally, the Agency authorized the Chairman, Executive Director, Secretary, and Treasurer to sign all documents necessary to achieve the refunding.

The financial aspects of the refunding have been evaluated by the Agency’s Financial Consultant, Rosenow, Spencek Group, Inc. (RSG). RSG findings indicate that the Agency has ample coverage to satisfy the annual debt service. Staff took additional precautionary steps and asked the Agency’s Counsel to review the bond documents with regard to any legal implications that may result from the Bond refunding. Counsel is satisfied with the bond documents.

It is important to note that the Agency has the option not to refund the bonds should the interest rates be too high or if other issuance costs are not favorable for the Agency. Should the bonds not be sold, nothing is due to bond counsel, disclosure counsel, or to the underwriter.

A complete copy of the draft bond documents are on file and available for public review in the Community Development Department.

[Signatures]

Item No. PRA-1
ATTACHMENT
ITEM NO. 5
RECOMMENDATION: That the Porterville Redevelopment Agency:

1. Adopt the attached resolution approving the issuance and sale by the Porterville Redevelopment Agency of its Redevelopment Project Area No.1 Tax Allocation Refunding Bonds 2008 Series A (redevelopment projects) and its Redevelopment Project Area No.1 Taxable Tax Allocation Bonds 2008 Series B (redevelopment projects) to finance and refinance redevelopment activities within, or of benefit to Porterville Redevelopment Project Area No. 1 approving the form and authorizing the execution of related documents and approving related actions; and

2. Adopt the attached resolution approving the issuance and sale by the Porterville Redevelopment Agency of its Redevelopment Project Area No.1 Tax Allocation Refunding Bonds 2008 Series C (housing projects) and its Redevelopment Project Area No.1 Taxable Tax Allocation Bonds 2008 Series D (housing projects) to finance and refinance low and moderate income housing activities within, or of benefit to Porterville Redevelopment Project Area No. 1 approving the form and authorizing the execution of related documents and approving related actions.

That the Porterville City Council:

1. Adopt the attached resolution approving the issuance by the Porterville Redevelopment Agency of its Redevelopment Project Area No.1 Tax Allocation Refunding Bonds 2008 Series A (redevelopment projects) and its Redevelopment Project Area No.1 Taxable Tax Allocation Bonds 2008 Series B (redevelopment projects) to finance and refinance redevelopment activities within or of benefit to Porterville Redevelopment Project Area No. 1; and

2. Adopt the attached resolution approving the issuance by the Porterville Redevelopment Agency of its Redevelopment Project Area No.1 Tax Allocation Refunding Bonds 2008 Series C (housing projects) and its Redevelopment Project Area No.1 Taxable Tax Allocation Bonds 2008 Series D (housing projects) to finance and refinance housing activities within, or of benefit to Porterville Redevelopment Project Area No. 1.
Series D (housing projects) to finance and refinance low and moderate income housing activities within, or of benefit, to Porterville Redevelopment Project Area No. 1; and

3. Authorize the Mayor to sign all necessary documents.

That the Porterville Public Financing Authority:

1. Adopt the attached resolution approving the purchase and sale of the Porterville Redevelopment Agency of its Redevelopment Project Area No.1 Tax Allocation Refunding Bonds 2008 Series A (redevelopment projects) and the Redevelopment Project Area No. 1 Taxable Tax Allocation Bonds 2008 Series B (redevelopment projects) and approving related documents and actions; and

2. Adopt the attached resolution approving the purchase and sale of the Porterville Redevelopment Agency of its Redevelopment Project Area No.1 Tax Allocation Refunding Bonds 2008 Series C (housing projects) and the Redevelopment Project Area No. 1 Taxable Tax Allocation Bonds 2008 Series D (housing projects) and approving related documents and actions; and

3. Authorize the Chair to sign all necessary documents.

ATTACHMENTS:

1. Memo regarding Series A and B Bonds
2. Memo regarding Series C and D Bonds
3. Redevelopment Agency Resolution – Series A and B Bonds
4. Redevelopment Agency Resolution – Series C and D Bonds
5. City of Porterville Resolution – Series A and B Bonds
6. City of Porterville Resolution – Series C and D Bonds
7. Porterville Public Financing Resolution – Series A and B Bonds
8. Porterville Public Financing Resolution – Series C and D Bonds
INTEROFFICE MEMORANDUM

TO: Porterville City Council
Porterville Redevelopment Agency
Porterville Public Financing Authority

FROM: Raymond M. Haight, Bond Counsel

DATE: July 15, 2008

SUBJECT: Porterville Redevelopment Agency, Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds; 2008 Series A (Redevelopment Projects)

Porterville Redevelopment Agency, Redevelopment Project Area No. 1, Taxable Tax Allocation Bonds, 2008 Series B (Redevelopment Projects)

At the joint meeting of your respective agencies on July 15, 2008, there will be presented for your consideration and approval various resolutions pertaining to the Porterville Redevelopment Agency, Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds, 2008 Series A (Redevelopment Projects) (herein the "Series A Bonds") and the Porterville Redevelopment Agency, Redevelopment Project Area No. 1, Taxable Tax Allocation Bonds, 2008 Series B (Redevelopment Projects) (herein the "Series B Bonds," and, together with the Series A Bonds, the "Bonds"). Different agencies will be considering different resolutions as shown below.

The purpose of the resolutions is to allow the agencies in a collective effort to assist in effectuating the issuance and sale of the Bonds in a principal amount of not to exceed $4,600,000 for the Series A Bonds and $2,600,000 for the Series B Bonds (the actual amount of the bond issues is anticipated to be less). The proceeds of the Series A Bonds will be utilized for the purpose of paying the non-housing portion of the remaining outstanding principal amount (together with any interest and premium due thereon) of those certain Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, 2002 Tax Allocation Refunding Bonds issued by the Agency on February 13, 2002 (the "2002 Bonds") in the original principal amount of $6,100,000, the proceeds of which were utilized (i) to refund the Porterville Public Financing Authority's 1992 Revenue Bonds (the "1992 Bonds") (the "Authority") that were issued primarily to fund certain redevelopment activities within Porterville Redevelopment Project Area No. 1 and (ii) to pay certain costs incurred in connection with the issuance, sale and delivery of the 2002 Bonds. The balance of the proceeds of the Series A Bonds would be utilized to obtain a reserve account surety bond in place of a reserve account, which is what is intended (or, in the alternative, establish a reserve account), and pay costs of issuance in connection with the Series A Bonds, including, without limitation, any necessary premiums to insure the issue.

The proceeds of the Series B Bonds would be utilized (i) to fund redevelopment activities within and of benefit to Redevelopment Project Area No. 1, (ii) to obtain a reserve account surety bond in place of a reserve account, which is what is intended (or, in the alternative, establish a reserve account), and pay costs of issuance in connection with the Series B Bonds, including, without limitation, any necessary premiums to insure the issue.

If the agencies are in agreement and approve going forward with the bond issues, it is anticipated

ATTACHMENT
ITEM NO. 1
that the issues would close on or about August 12, 2008. A report will be presented to you from Bud Levine of Wulff, Hansen & Co. ("Underwriter") relating to the sizing, costs, and other financial aspects of the bond issues. This report will be under separate cover and is to be made part of this package.

The enclosed resolutions take effect immediately upon adoption. These resolutions, among other things, establish a framework that allows for the simultaneous purchase of the Bonds by the Porterville Public Financing Authority from the Agency and the sale thereof by the Authority to the Underwriter. This assists the Porterville Redevelopment Agency in issuing and selling the bonds by facilitating a negotiated sale of the Bonds instead of an advertised sale of the Bonds, as would otherwise be required under the Redevelopment Law of the State of California (Sections 33000 et seq. of the California Health and Safety Code) ("Redevelopment Law"). In fact, this is one of the reasons for the creation of the Porterville Public Financing Authority, as the Marks-Roos Local Bond Pooling Act of 1985 (Sections 6584 et seq. of the California Government Code) allows a joint powers agency, the Authority, to purchase bonds of other agencies and sell bonds on a negotiated basis, and does not require an advertised sale. By doing a negotiated sale it is anticipated that a better interest rate and greater efficiency in the sale of Bonds will be achieved.

The Authority will receive from the Underwriter the money for the purchase of the Bonds in return for the covenant to simultaneously sell the Bonds to the Underwriter once they are purchased by the Authority from the Porterville Redevelopment Agency. While the process is a little complex, it does work rather well and achieves its aims.

Attached for your convenience is a brief summary of the resolutions to be adopted by the various agencies. The resolutions are to be adopted in the order presented.
SUMMARY OF RESOLUTIONS TO BE ADOPTED,
ORDER OF ADOPTION, AND ACTIONS TO BE TAKEN

PART I: PORTERVILLE REDEVELOPMENT AGENCY

The following resolution is to be adopted by the City of Porterville Redevelopment Agency:

1. Resolution No. RDA __-2008, Resolution Approving the Issuance and Sale by the Porterville Redevelopment Agency of its Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, 2008 Series A (Redevelopment Projects) and its Redevelopment Project Area No. 1 Taxable Tax Allocation Bonds, 2008 Series B (Redevelopment Projects) to Finance and Refinance Redevelopment Activities Within or of Benefit to Porterville Redevelopment Project Area No. 1, Approving the Form and Authorizing the Execution of Related Documents and Approving Related Actions.

This resolution authorizes the issuance of not to exceed $4,600,000 of Series A Bonds for the purpose of refunding the remaining non-housing portion of the outstanding principal amount (together with any interest and premium due thereon) of those certain 2002 Tax Allocation Refunding Bonds issued by the Agency on February 13, 2002 (the “2002 Bonds”) in the original principal amount of $6,100,000, the proceeds of which were utilized as set forth above, and which remain currently outstanding in the principal amount of $4,905,000; and using the balance of the proceeds to establish a reserve account and pay costs of issuance in connection with the Series A Bonds, provided the underwriter's discount (this does not include original issue discount since the same does not represent compensation to the underwriter) shall not exceed 2.00% of the par amount of the Series A Bonds and the average annual interest rate shall not exceed 5.50%.

This resolution also authorizes the issuance of not to exceed $2,600,000 of Series B Bonds for the purpose of funding redevelopment activities within or of benefit to the Redevelopment Project, and using the balance of the proceeds to establish a reserve account and pay costs of issuance in connection with the Series B Bonds, provided the underwriter's discount (this does not include original issue discount since the same does not represent compensation to the underwriter) shall not exceed 2.50% of the par amount of the Series B Bonds and the average annual interest rate shall not exceed 8.00%.

The amount of not to exceed $4,600,000 for the Series A Bonds is higher than the anticipated par amount of the Series A Bonds, and the amount of not to exceed $2,600,000 is higher than the anticipated par amount of the Series B Bonds. The difference in each case represents a hedge against any unanticipated costs or increases in costs due to rising interest rates. The hedge in each case allows the respective transactions to proceed even if the size of the bond issue exceeds, in the given case, the anticipated par amount, but still represents a transaction worth doing, without having to suffer “lost” time in a rising interest rate market by having to go back to the agencies for approval of a larger par amount.

Further, the transactions, as structured, contemplate the use of a “reserve account surety bond” in place of a reserve account. The provisions set forth in the Indenture and the Preliminary Official Statement contemplate the use of a reserve account but allow the alternative of a reserve account surety bond in place thereof. This is standard language. We fully intend to utilize a reserve account surety bond (hopefully we can), as the same will be very cost effective by keeping the par amount of the bonds at their anticipated levels. Otherwise, the par amount of the issues would be larger.
This resolution also approves the proposed form of the several agreements set forth below:

A.  
(i) **Indenture of Trust.** The resolution approves the proposed form of the Indenture of Trust between the Agency and U.S. Bank National Association, as trustee (the "Indenture") (the "Trustee") and the form of the bonds (Exhibits A and B attached thereto). The Indenture provides the terms and conditions with respect to issuance of the Bonds, their execution, transfer and exchange, and the like, as well as the maturities of the Bonds, their interest rates, redemption premium, and related matters. The maturities and interest rates for the Bonds will be provided upon pricing and execution of the Bond Purchase Contract. The trustee will maintain all funds and accounts created in, and except as otherwise provided in, the Indenture.

The Indenture contains a wealth of provisions relating to consistency with the Redevelopment Law. Various terms are defined in the Indenture, including but not limited to, Tax Revenues. The Tax Revenues (as defined and limited in the Indenture) are pledged to the payment of debt service on the bond issues. Tax Revenues, as defined in the Indenture, do not include Housing Tax Revenues, as defined in the Indenture. Housing Tax Revenues are for use in connection with the Series C and the Series D Bonds, which are the subject of a companion memorandum presented to you at your meeting.

In this regard, it is to be noted that the Agency has executed various Pass-Through Agreements ("Pass-Through Agreements") with various taxing agencies (including, but not limited to, the County of Tulare). None of the Pass-Through Agreements contain a provision for subordination with respect to tax revenues (to which such agencies are entitled) to the payment of bond indebtedness of the Agency in connection with the redevelopment project area ("Redevelopment Project Area").

Staff and the Underwriter do not believe any subordination is necessary due to the fact that the tax increment revenues presently available to the Agency from the Redevelopment Project Area, after payment of the required 20% set aside for Low and Moderate Income Housing purposes and payment of all tax increment revenues due to the other taxing entities (excluding, but not limited to, the County of Tulare), is in an amount that provides a significant debt coverage ratio.

The Indenture allows for the issuance of Parity Bonds (as defined) and contains provisions relating to events of default and amendment of the Indenture, among other things.

(ii) **Schedule of Fees.** The resolution approves the Schedule of Fees of U.S. Bank National Association for the various services it will be performing for the Agency in connection with the bond issues and thereafter. The Schedule of Fees relates to the Trustee's services as trustee, paying agent, dissemination agent, and escrow bank.

B. **Bond Purchase Contract.** The resolution approves the proposed form of the Bond Purchase Contract between the Agency, Authority and Underwriter. The Underwriter will purchase the Bonds for the par amount thereof less the underwriter's discount, and less any original issue discount that may be necessary to provide to the ultimate investor(s). The Underwriter's compensation is in the form of a discount and is 2.00% of the par amount of the Series A Bonds and 2.5% of the par amount of the Series B Bonds. There are various provisions relating to the ability of the Underwriter to withdraw from the agreement, including, without limitation, the occurrence of events or circumstances which constitute a material adverse effect on the Bonds, the bond market, and the like.

The Bond Purchase Contract specifies various costs associated with the bond issues that are to be paid by the Agency including, but not limited to, charges of rating agencies for rating the Bonds (if this is
done), consultant fees, costs of printing the Bonds, the Preliminary Official Statement and the Official Statement, bond insurance premiums and premiums for a reserve fund surety bond to be utilized in place of a reserve fund (which would save a significant amount of costs to the Agency), as well as costs to be paid by the Underwriter, including fees and expenses of Underwriter’s counsel. The Bond Purchase Contract has blanks that need to be filled in once the Bonds are priced. This will not occur until several days after adoption of the resolution.

The proposed form of Bond Purchase Contract is being provided under separate cover by the Underwriter (Wulff, Hansen & Co.) and is to be made a part of this package.

C. **Bond Counsel/Disclosure Counsel Fee Agreement.** The resolution approves the form of Bond Counsel/Disclosure Counsel Fee Agreement of Raymond M. Haight, dated as of July 15, 2008 on file with the Secretary. The Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency are authorized to execute said agreement, with such changes or additions thereto as the Chairman, Vice-Chairman, Treasurer or Executive Director may deem necessary; and the Secretary of the Agency is authorized and directed to attest said Fee Agreement. The fees and expenses of bond counsel and disclosure counsel shall be assessed as an incidental expense of the proceedings, payable from bond proceeds and not otherwise. If bonds are not issued, no fees or expenses shall be due. The fees and expenses of bond counsel and disclosure counsel (combined) for the Series A and Series B Bonds is a flat rate of $46,500 (which is inclusive of costs $1,500).

D. **Continuing Disclosure Certificate.** The resolution also approves the proposed form of the Continuing Disclosure Certificate of the Agency. This certificate is required in order for the Underwriter to be in compliance with Rule 15c2-12 of the Securities and Exchange Commission (the Underwriter can't market the Bonds without the certificate). An annual report is to be provided each year to repositories as set forth in the certificate (basically, audited financial statements of the Agency for the preceding fiscal year, and the like) not later than March 31st of each year, commencing March 31, 2009. In addition, any material event, such as a default in payment of the Bonds or similar item as listed in the agreement, must be reported. The Trustee, acting in its capacity as dissemination agent (“Dissemination Agent”) is to execute its acceptance of the provisions of the Continuing Disclosure Certificate.

E. **Escrow Deposit and Trust Agreement.** The resolution approves the proposed form of the Escrow Deposit and Trust Agreement between the Agency, the Authority and the Trustee, acting in its capacity as escrow bank (“Escrow Bank”). The Trustee acts as the Escrow Bank for purposes of holding proceeds of the Series A Bonds and the Series C Bonds to be utilized to pay the non-housing and housing balances, respectively, due on the 2002 Bonds on their redemption date, as referenced above. (Please Note: There is actually only one Escrow Agreement which covers both the Series A and the Series C Bonds. I have referenced the Escrow Agreement in the memorandum relating to the Series C and Series D Bonds and in this memorandum for consistency.)

F. **Official Statement.** The resolution approves the proposed form of the Preliminary and Official Statements. These documents constitute the disclosure material with respect to the bond transaction which potential investors review in order to make an informed investment decision. The Preliminary Official Statement contains necessary blanks that can't be filled in until such time as the issue is priced by the Underwriter. At that time we will know the interest rates of the various maturities, what the original issue discount will be, if any, and so on. The Preliminary Official Statement becomes the Official Statement with the blanks filled in. The resolution authorizes and approves use of the Preliminary Official Statement and an Official Statement in connection with the offering and sale of the Bonds. Under the law, the Preliminary Official Statement is to be deemed final except for certain financial-related information (the
blanks) that SEC Rule 15c2-12 allows to be placed in the Official Statement.

G. **Form of Bonds (Exhibits A and B of the Indenture).** The resolution approves the forms of the Bonds attached as Exhibit A and B to the Indenture (and incorporated therein by reference).

The Series A Bonds are designated as "Bank Qualified" on the face thereof. This means the Series A Bonds are a "qualified tax-exempt obligation" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"). This designation allows certain financial institutions the ability to deduct a portion of interest costs incurred in connection with the purchase of the Series A Bonds. It allows for greater marketability of the Series A Bonds. Your adoption of the resolution approving the Indenture (and along with it Exhibits A and B, Forms of Bonds) will constitute approval of this designation.

The resolution also provides that the Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency is authorized and directed to execute the Indenture and the Schedule of Fees and the other documents referenced below, all in the form presented at this meeting with such changes and additions thereto as may be deemed necessary by the Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency, said execution being conclusive evidence of such approval; provided, that with respect to the Official Statement, it shall be in substantially the form of the Preliminary Official Statement with such changes and additions thereto as the Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency may deem necessary. The Secretary of the Agency is authorized and directed to attest to the execution of the final form of the documents referenced herein and to affix the seal of the Agency thereto.

The resolution further provides that the Chairman, the Vice-Chairman, the Treasurer, the Executive Director and the Secretary of the Agency, and any and all other officers of the Agency, are authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds as described therein; and, further, whenever in the resolution any officer of the Agency is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

The compensation of, and the services to be provided by, the Underwriter, the Dissemination Agent, the Escrow Bank, and bond counsel/disclosure counsel are as set forth in the various agreements or schedules relating thereto and on file with the Secretary. In all cases, fees and expenses are payable solely from Bond proceeds; and no fees or expenses shall be due unless and until Bonds are issued and the proceeds thereof received. If no Bonds are issued, no fees or expenses shall be due.

**PART II: PORTERVILLE CITY COUNCIL**

The following resolution is to be adopted by the City Council of the City of Porterville:

1. Resolution No. __2008, Resolution Approving the Issuance by the Porterville Redevelopment Agency of its Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, 2008 Series A (Redevelopment Projects), and its Redevelopment Project Area No. 1 Taxable Tax Allocation Bonds, 2008 Series B (Redevelopment Projects) to Finance and Refinance Redevelopment Activities Within or of Benefit to Redevelopment Project Area No. 1.
This resolution approves the issuance of the Bonds by the Agency and the sale thereof to the Authority for simultaneous resale to the Underwriter. The approval of the bond issuance of the Agency by the City is required per Section 33640 of the Redevelopment Law.

PART III: PORTERVILLE PUBLIC FINANCING AUTHORITY

The following resolution is to be adopted by the City of Porterville Public Financing Authority:

1. Resolution No. PFA ___-08, Resolution Approving the Purchase and Sale of the Porterville Redevelopment Agency Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, 2008 Series A (Redevelopment Projects), and the Porterville Redevelopment Agency Redevelopment Project Area No. 1 Taxable Tax Allocation Bonds, 2008 Series B (Redevelopment Projects) and Approving Related Documents and Actions

Please see discussion under item 1 of Part I, above, relating to the corresponding resolution before the Porterville Redevelopment Agency.

This resolution generally provides that the Chairman, Vice-Chairman, Treasurer or the Executive Director of the Authority are authorized and directed to execute the final form of the Bond Purchase Agreement and the final form of the Escrow Agreement for and in the name and on behalf of the Authority, together with such additions thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or the Executive Director of the Agency shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the approval of any such additions and changes. Pursuant to the resolution, the Authority approves the negotiated sale of the Bonds to the Underwriter as set forth in the Bond Purchase Agreement.

Further, the resolution provides that the Chairman, the Vice-Chairman, the Treasurer, the Executive Director and the Secretary of the Authority, and any and all other officers of the Authority, are authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds as described herein. Whenever in the resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by anyone designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Bud Levine and John Fitzgerald of Wulff, Hansen & Co. ("Underwriter") and I will be in attendance at your meeting to address any questions you may have.

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INTEROFFICE MEMORANDUM

TO: Porterville City Council
Porterville Redevelopment Agency
Porterville Public Financing Authority

FROM: Raymond M. Haight, Bond Counsel

DATE: July 15, 2008

SUBJECT: Porterville Redevelopment Agency, Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds, 2008 Series C (Housing Projects)

Porterville Redevelopment Agency, Redevelopment Project Area No. 1, Taxable Tax Allocation Bonds, 2008 Series D (Housing Projects)

At the joint meeting of your respective agencies on July 15, 2008, there will be presented for your consideration and approval various resolutions pertaining to the Porterville Redevelopment Agency, Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, 2008 Series C (Housing Projects) (herein the "Series C Bonds") and the Porterville Redevelopment Agency, Redevelopment Project Area No. 1 Taxable Tax Allocation Bonds, 2008 Series D (Housing Projects) (herein the "Series D Bonds," and, together with the Series C Bonds, the "Bonds"). Different agencies will be considering different resolutions as shown below.

The purpose of the resolutions is to allow the agencies in a collective effort to assist in effectuating the issuance and sale of the Series C Bonds in a principal amount of not to exceed $1,200,000 (the actual amount of the bond issue is anticipated to be less) and the Series D Bonds in a principal amount of not to exceed $750,000 (the actual amount of the bond issue is anticipated to be). The proceeds of the Series C Bonds will be utilized for the purpose of paying the housing portion of the remaining outstanding principal amount (together with any interest and premium due thereon) of those certain Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, 2002 Tax Allocation Refunding Bonds issued by the Agency on February 13, 2002 (the "2002 Bonds") in the original principal amount of $6,100,000, the proceeds of which were utilized (i) to refund the Porterville Public Financing Authority's 1992 Revenue Bonds (the "1992 Bonds") (the "Authority") that were issued primarily to fund certain redevelopment activities within Porterville Redevelopment Project Area No. 1 and (ii) to pay certain costs incurred in connection with the issuance, sale and delivery of the 2002 Bonds. The balance of the proceeds of the Series C Bonds would be utilized to obtain a reserve account surety bond in place of a reserve account, which is what is intended (or, in the alternative, establish a reserve account), and pay costs of issuance in connection with the Series C Bonds, including, without limitation, any necessary premiums to insure the issue.

The proceeds of the Series D Bonds would be utilized (i) to fund low and moderate income housing activities within and of benefit to Redevelopment Project Area No. 1, (ii) to obtain a reserve account surety bond in place of a reserve account, which is what is intended (or, in the alternative, establish a reserve account), and pay costs of issuance in connection with the Series D Bonds, including, without limitation, any necessary premiums to insure the issue.

ATTACHMENT
ITEM NO. 2
If the agencies are in agreement and approve going forward with the bond issues, it is anticipated that the issues would close on or about August 12, 2008. A report will be presented to you from Bud Levine of Wulff, Hansen & Co. ("Underwriter") relating to the sizing, costs, and other financial aspects of the bond issues. This report will be under separate cover and is to be made part of this package.

The enclosed resolutions take effect immediately upon adoption. These resolutions, among other things, establish a framework that allows for the simultaneous purchase of the Bonds by the Porterville Public Financing Authority from the Agency and the sale thereof by the Authority to the Underwriter. This assists the Porterville Redevelopment Agency in issuing and selling the bonds by facilitating a negotiated sale of the Bonds instead of an advertised sale of the Bonds, as would otherwise be required under the Redevelopment Law of the State of California (Sections 33000 et seq. of the California Health and Safety Code) ("Redevelopment Law"). In fact, this is one of the reasons for the creation of the City of Porterville Public Financing Authority, as the Marks-Roos Local Bond Pooling Act of 1985 (Sections 6584 et seq. of the California Government Code) allows a joint powers agency, the Authority, to purchase bonds of other agencies and sell bonds on a negotiated basis, and does not require an advertised sale. By doing a negotiated sale it is anticipated that a better interest rate and greater efficiency in the sale of Bonds will be achieved.

The Authority will receive from the Underwriter the money for the purchase of the Bonds in return for the covenant to simultaneously sell the Bonds to the Underwriter once they are purchased by the Authority from the Porterville Redevelopment Agency. While the process is a little complex, it does work rather well and achieves its aims.

Attached for your convenience is a brief summary of the resolutions to be adopted by the various agencies. The resolutions are to be adopted in the order presented.
SUMMARY OF RESOLUTIONS TO BE ADOPTED, ORDER OF ADOPTION, AND ACTIONS TO BE TAKEN

PART I: PORTERVILLE REDEVELOPMENT AGENCY

The following resolution is to be adopted by the City of Porterville Redevelopment Agency:

1. Resolution No. RDA __2008, Resolution Approving the Issuance and Sale by the Porterville Redevelopment Agency of its Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, 2008 Series C (Housing Projects), and its Redevelopment Project Area No. 1 Taxable Tax Allocation Bonds, 2008 Series D (Housing Projects) to Finance and Refinance Low and Moderate Income Housing Activities Within or of Benefit to Porterville Redevelopment Project Area No. 1, Approving the Form and Authorizing the Execution of Related Documents and Approving Related Actions.

This resolution authorizes the issuance of not to exceed $1,200,000 of Series C Bonds for the purpose of refunding the remaining housing portion of the outstanding principal amount (together with any interest and premium due thereon) of those certain 2002 Tax Allocation Refunding Bonds issued by the Agency on February 13, 2002 (the “2002 Bonds”) in the original principal amount of $6,100,000, the proceeds of which were utilized as set forth above, and which remain currently outstanding in the principal amount of $4,905,000; and using the balance of the proceeds to establish a reserve account and pay costs of issuance in connection with the Series C Bonds, provided the underwriter's discount (this does not include original issue discount since the same does not represent compensation to the underwriter) shall not exceed 2.00% of the par amount of the Series C Bonds and the average annual interest rate shall not exceed 5.50%.

This resolution also authorizes the issuance of not to exceed $750,000 of Series D Bonds for the purpose of funding redevelopment activities within or of benefit to the Redevelopment Project, and using the balance of the proceeds to establish a reserve account and pay costs of issuance in connection with the Series D Bonds, provided the underwriter's discount (this does not include original issue discount since the same does not represent compensation to the underwriter) shall not exceed 2.50% of the par amount of the Series D Bonds and the average annual interest rate shall not exceed 8.00%.

The amount of not to exceed $1,200,000 for the Series C Bonds is higher than the anticipated par amount of the Series C Bonds, and the not exceed amount of $750,000 for the Series D Bonds is higher than the anticipated par amount of the Series D Bonds. The difference in each case represents a hedge against any unanticipated costs or increases in costs due to rising interest rates. The hedge in each case allows the respective transactions to proceed even if the size of the bond issue exceeds in the given case the anticipated par amount, but still represents a transaction worth doing, without having to suffer "lost" time in a rising interest rate market by having to go back to the agencies for approval of a larger par amount.

Further, the transactions, as structured, contemplate the use of a "reserve account surety bond" in place of a reserve account. The provisions set forth in the Indenture and the Preliminary Official Statement contemplate the use of a reserve account but allow the alternative of a reserve account surety bond in place thereof. This is standard language. We fully intend to utilize a reserve account surety bond (hopefully we can), as the same will be very cost effective by keeping the par amount of the bonds at their anticipated levels. Otherwise, the par amount of the bond issues would be larger.

This resolution also approves the proposed form of the several agreements set forth below:
A. (i) Indenture of Trust. The resolution approves the proposed form of the Indenture of Trust between the Agency and U.S. Bank National Association, as trustee (the "Indenture") (the "Trustee") and the form of the bonds (Exhibits A and B attached thereto). The Indenture provides the terms and conditions with respect to issuance of the Bonds, their execution, transfer and exchange, and the like, as well as the maturities of the Bonds, their interest rates, redemption premium, and related matters. The maturities and interest rates for the Bonds will be provided upon pricing and execution of the Bond Purchase Contract. The trustee will maintain all funds and accounts created in, and except as otherwise provided in, the Indenture.

The Indenture contains a wealth of provisions relating to consistency with the Redevelopment Law. Various terms are defined in the Indenture, including but not limited to, Tax Revenues. The Tax Revenues (as defined and limited in the Indenture) are pledged to the payment of debt service on the bond issues. Tax Revenues, as defined in the Indenture, do not include Housing Tax Revenues, as defined in the Indenture. Housing Tax Revenues are for use in connection with the Series C and the Series D Bonds, which are the subject of a companion memorandum presented to you at your meeting.

Staff and the Underwriter believe the Housing Tax Revenues presently available to the Agency from the Redevelopment Project Area (the “20% set aside”) for Low and Moderate Income Housing purposes, provide a significant debt coverage ratio.

The Indenture allows for the issuance of Parity Bonds (as defined) and contains provisions relating to events of default and amendment of the Indenture, among other things.

(ii) Schedule of Fees. The resolution approves the Schedule of Fees of U.S. Bank National Association for the various services it will be performing for the Agency in connection with the bond issues and thereafter. The Schedule of Fees relates to the Trustee's services as trustee, paying agent, dissemination agent, and escrow bank.

B. Bond Purchase Contract. The resolution approves the proposed form of the Bond Purchase Contract between the Agency, Authority and Underwriter. The Underwriter will purchase the Bonds for the par amount thereof less the underwriter's discount, and less any original issue discount that may be necessary to provide to the ultimate investor(s). The Underwriter's compensation is in the form of a discount and is 2.00% of the par amount of the Series C Bonds and 2.5% of the par amount of the Series D Bonds. There are various provisions relating to the ability of the Underwriter to withdraw from the agreement, including, without limitation, the occurrence of events or circumstances which constitute a material adverse effect on the Bonds, the bond market, and the like.

The Bond Purchase Contract specifies various costs associated with the bond issue that are to be paid by the Agency including, but not limited to, charges of rating agencies for rating the Bonds (if this is done), consultant fees, costs of printing the Bonds, the Preliminary Official Statement and the Official Statement, bond insurance premiums and premiums for a reserve fund surety bond to be utilized in place of a reserve fund (which would save a significant amount of costs to the Agency), as well as costs to be paid by the Underwriter, including fees and expenses of Underwriter's counsel. The Bond Purchase Contract has blanks that need to be filled in once the Bonds are priced. This will not occur until several days after adoption of the resolution.
The proposed form of Bond Purchase Contract is being provided under separate cover by the Underwriter (Wulff, Hansen & Co.) and is to be made a part of this package.

C. **Bond Counsel/Disclosure Counsel Fee Agreement.** The resolution approves the form of Bond Counsel/Disclosure Counsel Fee Agreement of Raymond M. Haight, dated as of July 15, 2008 on file with the Secretary. The Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency are authorized to execute said agreement, with such changes or additions thereto as the Chairman, Vice-Chairman, Treasurer or Executive Director may deem necessary; and the Secretary of the Agency is authorized and directed to attest said Fee Agreement. The fees and expenses of bond counsel and disclosure counsel shall be assessed as an incidental expense of the proceedings, payable from bond proceeds and not otherwise. If bonds are not issued, no fees or expenses shall be due. The fees and expenses of bond counsel and disclosure counsel (combined) for the Series C and Series D Bonds is a flat rate of $16,500 (which is inclusive of costs $1,500).

D. **Continuing Disclosure Certificate.** The resolution also approves the proposed form of the Continuing Disclosure Certificate of the Agency. This certificate is required in order for the Underwriter to be in compliance with Rule 15c2-12 of the Securities and Exchange Commission (the Underwriter can't market the Bonds without the certificate). An annual report is to be provided each year to repositories as set forth in the certificate (basically, audited financial statements of the Agency for the preceding fiscal year, and the like) not later than March 31st of each year, commencing with March 31, 2009. In addition, any material event, such as a default in payment of the Bonds or similar item as listed in the agreement, must be reported. The Trustee, acting in its capacity as dissemination agent ("Dissemination Agent") is to execute its acceptance of the provisions of the Continuing Disclosure Certificate.

E. **Escrow Deposit and Trust Agreement.** The resolution approves the proposed form of the Escrow Deposit and Trust Agreement between the Agency, the Authority and the Trustee, acting in its capacity as escrow bank ("Escrow Bank"). The Trustee acts as the Escrow Bank for purposes of holding proceeds of the Series C Bonds to be utilized to pay the housing balance due on the 2002 Bonds on their redemption date, as referenced above. In the same capacity, the Trustee also holds proceeds of the Series A Bonds to be utilized to pay the non-housing balance due on the 2002 Bonds on their redemption date. (Please Note: There is actually only one Escrow Agreement which covers both the Series A and the Series C Bonds. I have referenced the Escrow Agreement in the memorandum relating to the Series A and Series B Bonds and in this memorandum for consistency.)

F. **Official Statement.** The resolution approves the proposed form of the Preliminary and Official Statements. These documents constitute the disclosure material with respect to the bond transaction which potential investors review in order to make an informed investment decision. The Preliminary Official Statement contains necessary blanks that can't be filled in until such time as the issue is priced by the Underwriter. At that time we will know the interest rates of the various maturities, what the original issue discount will be, if any, and so on. The Preliminary Official Statement becomes the Official Statement with the blanks filled in. The resolution authorizes and approves use of the Preliminary Official Statement and an Official Statement in connection with the offering and sale of the Bonds. Under the law, the Preliminary Official Statement is to be deemed final except for certain financial-related information (the blanks) that SEC Rule 15c2-12 allows to be placed in the Official Statement.

G. **Form of Bonds (Exhibits A and B of the Indenture).** The resolution approves the forms of the Bonds attached as Exhibit A and B to the Indenture (and incorporated therein by reference).

The Series C Bonds are designated as "Bank Qualified" on the face thereof. This means the Series
C Bonds are a "qualified tax-exempt obligation" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"). This designation allows certain financial institutions the ability to deduct a portion of interest costs incurred in connection with the purchase of the Series C Bonds. It allows for greater marketability of the Series C Bonds. Your adoption of the resolution approving the Indenture (and along with it Exhibits A and B, Forms of Bonds) will constitute approval of this designation.

The resolution also provides that the Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency is authorized and directed to execute the Indenture and the Schedule of Fees and the other documents referenced below, all in the form presented at this meeting with such changes and additions thereto as may be deemed necessary by the Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency, said execution being conclusive evidence of such approval; provided, that within respect to the Official Statement, it shall be in substantially the form of the Preliminary Official Statement with such changes and additions thereto as the Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency may deem necessary. The Secretary of the Agency is authorized and directed to attest to the execution of the final form of the documents referenced herein and to affix the seal of the Agency thereto.

The resolution further provides that the Chairman, the Vice-Chairman, the Treasurer, the Executive Director and the Secretary of the Agency, and any and all other officers of the Agency, are authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds as described therein; and, further, whenever in the resolution any officer of the Agency is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

The compensation of, and the services to be provided by, the Underwriter, the Dissemination Agent, the Escrow Bank, and bond counsel/disclosure counsel are as set forth in the various agreements or schedules relating thereto and on file with the Secretary. In all cases, fees and expenses are payable solely from Bond proceeds; and no fees or expenses shall be due unless and until Bonds are issued and the proceeds thereof received. If no Bonds are issued, no fees or expenses shall be due.

PART II: PORTERVILLE CITY COUNCIL

The following resolution is to be adopted by the City Council of the City of Porterville:

1. Resolution No. _____-2008, Resolution Approving the Issuance by the Porterville Redevelopment Agency of its Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, 2008 Series C (Housing Projects) and its Redevelopment Project Area No. 1 Taxable Tax Allocation Bonds, 2008 Series D (Housing Projects) to Finance and Refinance Low and Moderate Income Housing Activities Within or of Benefit to Porterville Redevelopment Project Area No. 1.

This resolution approves the issuance of the Bonds by the Agency and the sale thereof to the Authority for simultaneous resale to the Underwriter. The approval of the bond issuance of the Agency by the City is required per Section 33640 of the Redevelopment Law.
PART III: PORTERVILLE PUBLIC FINANCING AUTHORITY

The following resolution is to be adopted by the Porterville Public Financing Authority:

1. Resolution No. PFA ___-2008, Resolution Approving the Purchase and Sale of the Porterville Redevelopment Agency Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, 2008 Series C (Housing Projects), and the Porterville Redevelopment Agency Redevelopment Project Area No. 1 Taxable Tax Allocation Bonds, 2008 Series D (Housing Projects) and Approving Related Documents and Actions.

Please see discussion under item 1 of Part I, above, relating to the corresponding resolution before the Porterville Redevelopment Agency.

This resolution generally provides that the Chairman, Vice-Chairman, Treasurer or the Executive Director of the Authority are authorized and directed to execute the final form of the Bond Purchase Agreement and the final form of the Escrow Agreement for and in the name and on behalf of the Authority, together with such additions thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or the Executive Director of the Agency shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the approval of any such additions and changes. Pursuant to the resolution, the Authority approves the negotiated sale of the Bonds to the Underwriter as set forth in the Bond Purchase Agreement.

Further, the resolution provides that the Chairman, the Vice-Chairman, the Treasurer, the Executive Director and the Secretary of the Authority, and any and all other officers of the Authority, are authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds as described herein. Whenever in the resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Bud Levine and John Fitzgerald of Wulff, Hansen & Co. ("Underwriter") and I will be in attendance at your meeting to address any questions you may have.

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PORTERVILLE REDEVELOPMENT AGENCY

RESOLUTION NO. RDA—2008

RESOLUTION APPROVING THE ISSUANCE AND SALE BY THE PORTERVILLE REDEVELOPMENT AGENCY OF ITS REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES A (REDEVELOPMENT PROJECTS), AND ITS REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES B (REDEVELOPMENT PROJECTS) TO FINANCE AND REFINANCE REDEVELOPMENT ACTIVITIES WITHIN OR OF BENEFIT TO PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED ACTIONS

RESOLVED, by the Porterville Redevelopment Agency (the "Agency") as follows:

WHEREAS, the Porterville Redevelopment Agency (the "Agency") is undertaking the redevelopment of the Porterville Redevelopment Project Area No. 1 (the "Redevelopment Project") pursuant to the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law");

WHEREAS, the Agency has determined at this time, due to prevailing interest rates in the municipal bond market, to issue its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds, 2008 Series A (Redevelopment Projects) (the "Series A Bonds"), and its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Taxable Tax Allocation Bonds, 2008 Series B (Redevelopment Projects) (the "Series B Bonds" and, together with the Series A Bonds the "Redevelopment Bonds") under the provisions of Division 24, Part 1, Chapter 6, Article 5 (commencing with Section 33640 et seq.) of the California Health and Safety Code (the "Bond Law"); the principal of and interest on which will be payable from the tax increment revenues from the Redevelopment Project, to finance certain redevelopment activities within or of benefit to the Redevelopment Project and to refund the non-housing portion of the Agency's Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, 2002 Tax Allocation Refunding Bonds, issued by the Agency on February 13, 2002 (the "2002 Bonds");

WHEREAS, the purposes stated above will be accomplished by the City of Porterville Public Financing Authority (the "Authority") purchasing the Redevelopment Bonds from the Agency and simultaneously selling the Redevelopment Bonds to Wulf, Hansen & Co. (the "Underwriter") pursuant to the Marks-Roo's Local Bond Pooling Act of 1985 (California Government Code Sections 6584 et seq.) (the "Marks-Roo's Law"); and

WHEREAS, the Agency has duly considered such transactions and wishes at this time to authorize proceedings for the issuance and sale of the Redevelopment Bonds;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Authorization of Series A Bonds. The Agency hereby approves the issuance and sale of the Series A Bonds to fund redevelopment activities within and of benefit to the Redevelopment Project, provided the principal amount of the Series A Bonds shall not exceed $4,600,000, the average
annual interest rate with respect to the Series A Bonds shall not exceed 5.50%, and the Underwriter's
discount with respect to the Series A Bonds, excluding original issue discount which does not constitute
compensation to the Underwriter, shall not exceed 2.00%.

Section 2. Authorization of Series B Bonds. The Agency hereby approves the issuance and sale of
the Series B Bonds to fund redevelopment activities within and of benefit to the Redevelopment Project,
provided the principal amount of the Series B Bonds shall not exceed $2,600,000, the average annual
interest rate with respect to the Series B Bonds shall not exceed 8.00%, and the Underwriter's discount
with respect to the Series B Bonds, excluding original issue discount which does not constitute
compensation to the Underwriter, shall not exceed 2.50%.

Section 3. Sale of Redevelopment Bonds to Authority. The sale of the Redevelopment Bonds to
the Authority and their resale by the Authority to the Underwriter, all pursuant to the Marks-Roos Law, is
hereby approved.

Section 4. Issuance of the Redevelopment Bonds: Approval of the Indenture and Schedule of
Fees. The Redevelopment Bonds shall be issued pursuant to the Bond Law and pursuant to an Indenture
of Trust, dated as of August 1, 2008, by and between the Agency and U.S. Bank National Association, as
trustee (the "Redevelopment Bond Indenture"). The Agency hereby approves the Redevelopment Bond
Indenture in substantially the form on file with the Secretary, together with such additions thereto and
changes therein as the Chairman, the Vice-Chairman, the Treasurer or the Executive Director of the
Agency shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the
Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the
approval of any such additions and changes. The Chairman, the Vice-Chairman, the Treasurer or the
Executive Director of the Agency is hereby authorized and directed to execute, and the Secretary is
hereby authorized and directed to attest and affix the seal of the Agency to, the final form of the
Redevelopment Bond Indenture for and in the name and on behalf of the Agency. The Agency hereby
authorizes the delivery and performance of the Redevelopment Bond Indenture. In addition, the Schedule
of Fees ("Schedule of Fees") of U.S. Bank National Association, acting in its capacities as Trustee,
Escrow Bank and Dissemination Agent, on file with the Secretary, is hereby approved.

Section 5. Refunding of the 2002 Bonds. A portion of the proceeds of the Series A Bonds shall be
utilized to refund the non-housing portion of the 2002 Bonds pursuant to an escrow deposit and trust
agreement, dated August 1, 2008 ("Escrow Agreement"), by and among the Agency and U.S. Bank
National Association, as escrow bank (the "Escrow Agreement"). The Agency hereby approves the
Escrow Agreement in substantially the form on file with the Secretary, together with such additions
thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or Executive Director of
the Agency shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the
Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the
approval of any such additions and changes. The Chairman, the Vice-Chairman, the Treasurer or
Executive Director of the Agency is hereby authorized and directed to execute, and the Secretary is
hereby authorized and directed to attest and affix the seal of the Agency to, the final form of the Escrow
Agreement for and in the name and on behalf of the Agency. The Agency hereby authorizes the delivery
and performance of the Escrow Agreement.

Section 6. Bond Purchase Agreement. The Agency hereby approves the bond purchase
agreement, by and among the Underwriter, the Agency and the Authority, in substantially the form on file
with the Secretary (the "Redevelopment Bond Purchase Agreement"), together with such additions
thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or Executive Director of
the Agency shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the
Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the
approval of any such additions and changes. The Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency is hereby authorized and directed to execute the final form of the Redevelopment Bond Purchase Agreement for and in the name and on behalf of the Agency. The Agency hereby approves the negotiated sale of the Redevelopment Bonds to the Underwriter pursuant to the Redevelopment Bond Purchase Agreement.

Section 7. Official Statement. The Agency hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 except for permitted omissions, a preliminary form of official statement (the "Preliminary Official Statement") describing the Redevelopment Bonds in the form on file with the Secretary. Distribution of the Preliminary Official Statement by the Underwriter to prospective purchasers of the Redevelopment Bonds is hereby approved. The Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency is hereby authorized and directed to execute a final official statement (the "Final Official Statement"), including as it may be modified by such additions thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall deem necessary, desirable or appropriate, and the execution of the Final Official Statement by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the approval of any such additions and changes. The Agency hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed for and in the name and on behalf of the Agency by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency.

Section 8. Bank Qualified. The Series A Bonds are to be designated as "Bank Qualified" on the face thereof. This means the Series A Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. This designation allows certain financial institutions the ability to deduct a portion of interest costs incurred in connection with the purchase of the Series A Bonds. It allows for greater marketability of the Series A Bonds.

Section 9. Bond Counsel/Disclosure Counsel Fee Agreement. The Agency hereby approves the form of Fee Agreement, dated July 15, 2008, on file with the Secretary, of Raymond M. Haight relating to his services as bond counsel and disclosure counsel. The Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency are hereby authorized and directed to execute said agreement, with such changes or additions thereto as the Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency may deem necessary; and the Secretary of the Agency is hereby authorized and directed to attest to said Fee Agreement. The fees and expenses of bond counsel and disclosure counsel shall be assessed as an incidental expense of the proceedings, payable from Redevelopment Bond proceeds and not otherwise. If the Redevelopment Bond are not issued, no fees or expenses shall be due.

Section 10. Official Actions. The Chairman, the Vice-Chairman, the Treasurer, the Executive Director and the Secretary of the Agency, and any and all other officers of the Agency, are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Redevelopment Bonds as described herein. Whenever in this resolution any officer of the Agency is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.
Section 11. Effective Date. This Resolution shall take effect from and after the date of its passage.

__________________________  Chairman

ATTEST:

__________________________  Secretary

(SEAL)

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I, the undersigned Secretary of the Porterville Redevelopment Agency, hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the Agency at a meeting thereof on the 15th day of July 2008, by the following vote of the members thereof:

AYES:  BOARDMEMBERS:

NOES:  BOARDMEMBERS:

ABSTAIN:  BOARDMEMBERS:

ABSENT:  BOARDMEMBERS:

________________________________________
Secretary
PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1
TAX ALLOCATION REFUNDING BONDS, 2008 SERIES A
(REDEVELOPMENT PROJECTS)

PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1
TAXABLE TAX ALLOCATION BONDS, 2008 SERIES B
(REDEVELOPMENT PROJECTS)

CERTIFICATE OF SECRETARY REGARDING RESOLUTION

The undersigned hereby states and certifies:

(i) that he is the duly appointed, qualified and acting Secretary of the Porterville Redevelopment Agency, a redevelopment agency duly organized and existing under the laws of the State of California (the "Agency"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that on July 15, 2008, the members of the Agency duly adopted Resolution No. RDA ___-2008 (the "Resolution"), entitled "RESOLUTION APPROVING THE ISSUANCE AND SALE BY THE PORTERVILLE REDEVELOPMENT AGENCY OF ITS REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES A (REDEVELOPMENT PROJECTS), AND ITS REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES B (REDEVELOPMENT PROJECTS) TO FINANCE AND REFINANCE REDEVELOPMENT ACTIVITIES WITHIN OR OF, BENEFIT TO PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED ACTIONS," which Resolution has not been amended, supplemented, modified, rescinded or repealed and remains in full force and effect as of the date hereof.

Dated: July 15, 2008

PORTERVILLE REDEVELOPMENT AGENCY

_________________________________
Secretary
PORTERVILLE REDEVELOPMENT AGENCY

RESOLUTION NO. RDA _-2008

RESOLUTION APPROVING THE ISSUANCE AND SALE BY THE PORTERVILLE REDEVELOPMENT AGENCY OF ITS REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES C (HOUSING PROJECTS), AND ITS REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES D (HOUSING PROJECTS) TO FINANCE AND REFINANCE LOW AND MODERATE INCOME HOUSING ACTIVITIES WITHIN OR OF BENEFIT TO PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED ACTIONS

RESOLVED, by the Porterville Redevelopment Agency (the "Agency") as follows:

WHEREAS, the Porterville Redevelopment Agency (the "Agency") is undertaking the redevelopment of the Porterville Redevelopment Project Area No. 1 (the "Redevelopment Project") pursuant to the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law");

WHEREAS, the Agency has determined at this time, due to prevailing interest rates in the municipal bond market, to issue its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds, 2008 Series C (Housing Projects) (the "Series C Bonds"), and its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Taxable Tax Allocation Bonds, 2008 Series D (Housing Projects) (the "Series D Bonds" and, together with the Series C Bonds the "Housing Bonds") under the provisions of Division 24, Part 1, Chapter 6, Article 5 (commencing with Section 33640 et seq.) of the California Health and Safety Code (the "Bond Law"), the principal of and interest on which will be payable from the tax increment revenues from the Redevelopment Project, to finance certain low and moderate income housing activities within or of benefit to the Redevelopment Project and to refund the housing portion of the Agency's Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, 2002 Tax Allocation Refunding Bonds, issued by the Agency on February 13, 2002 (the "2002 Bonds");

WHEREAS, the purposes stated above will be accomplished by the City of Porterville Public Financing Authority (the "Authority") purchasing the Housing Bonds from the Agency and simultaneously selling the Housing Bonds to Wulf, Hansen & Co. (the "Underwriter") pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code Sections 6584 et seq.) (the "Marks-Roos Law"); and

WHEREAS, the Agency has duly considered such transactions and wishes at this time to authorize proceedings for the issuance and sale of the Housing Bonds;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Authorization of Series C Bonds. The Agency hereby approves the issuance and sale of the Series C Bonds to fund low and moderate income housing activities within and of benefit to the Redevelopment Project, provided the principal amount of the Series C Bonds shall not exceed

ATTACHMENT
ITEM NO. 7
$1,200,000, the average annual interest rate with respect to the Series C Bonds shall not exceed 5.50%, and the Underwriter's discount with respect to the Series C Bonds, excluding original issue discount which does not constitute compensation to the Underwriter, shall not exceed 2.00%.

Section 2. Authorization of Series D Bonds. The Agency hereby approves the issuance and sale of the Series D Bonds to fund redevelopment activities within and of benefit to the Redevelopment Project, provided the principal amount of the Series D Bonds shall not exceed $750,000, the average annual interest rate with respect to the Series D Bonds shall not exceed 8.00%, and the Underwriter's discount with respect to the Series D Bonds, excluding original issue discount which does not constitute compensation to the Underwriter, shall not exceed 2.50%.

Section 3. Sale of Housing Bonds to Authority. The sale of the Housing Bonds to the Authority and their resale by the Authority to the Underwriter, all pursuant to the Marks-Roos Law, is hereby approved.

Section 4. Issuance of the Housing Bonds: Approval of the Indenture and Schedule of Fees. The Housing Bonds shall be issued pursuant to the Bond Law and pursuant to an Indenture of Trust, dated as of August 1, 2008, by and between the Agency and U.S. Bank National Association, as trustee (the "Redevelopment Bond Indenture"). The Agency hereby approves the Redevelopment Bond Indenture in substantially the form on file with the Secretary, together with such additions thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or the Executive Director of the Agency shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the approval of any such additions and changes. The Chairman, the Vice-Chairman, the Treasurer or the Executive Director of the Agency is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Agency to, the final form of the Redevelopment Bond Indenture for and in the name and on behalf of the Agency. The Agency hereby authorizes the delivery and performance of the Redevelopment Bond Indenture. In addition, the Schedule of Fees ("Schedule of Fees") of U.S. Bank National Association, acting in its capacities as Trustee, Escrow Bank and Dissemination Agent, on file with the Secretary, is hereby approved.

Section 5. Refunding of the 2002 Bonds. A portion of the proceeds of the Series C Bonds shall be utilized to refund the housing portion of the 2002 Bonds pursuant to an escrow deposit and trust agreement, dated August 1, 2008 ("Escrow Agreement"), by and among the Agency and U.S. Bank National Association, as escrow bank (the "Escrow Agreement"). The Agency hereby approves the Escrow Agreement in substantially the form on file with the Secretary, together with such additions thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the approval of any such additions and changes. The Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Agency to, the final form of the Escrow Agreement for and in the name and on behalf of the Agency. The Agency hereby authorizes the delivery and performance of the Escrow Agreement.

Section 6. Bond Purchase Agreement. The Agency hereby approves the bond purchase agreement, by and among the Underwriter, the Agency and the Authority, in substantially the form on file with the Secretary (the "Redevelopment Bond Purchase Agreement"), together with such additions thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the
approval of any such additions and changes. The Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency is hereby authorized and directed to execute the final form of the Redevelopment Bond Purchase Agreement for and in the name and on behalf of the Agency. The Agency hereby approves the negotiated sale of the Housing Bonds to the Underwriter pursuant to the Redevelopment Bond Purchase Agreement.

Section 7. Official Statement. The Agency hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 except for permitted omissions, a preliminary form of official statement (the "Preliminary Official Statement") describing the Housing Bonds in the form on file with the Secretary. Distribution of the Preliminary Official Statement by the Underwriter to prospective purchasers of the Housing Bonds is hereby approved. The Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency is hereby authorized and directed to execute a final official statement (the "Final Official Statement"), including as it may be modified by such additions thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall deem necessary, desirable or appropriate, and the execution of the Final Official Statement by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency shall be conclusive evidence of the approval of any such additions and changes. The Agency hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed for and in the name and on behalf of the Agency by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Agency.

Section 8. Bank Qualified. The Series C Bonds are to be designated as "Bank Qualified" on the face thereof. This means the Series C Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. This designation allows certain financial institutions the ability to deduct a portion of interest costs incurred in connection with the purchase of the Series C Bonds. It allows for greater marketability of the Series C Bonds.

Section 9. Bond Counsel/Disclosure Counsel Fee Agreement. The Agency hereby approves the form of Fee Agreement, dated July 15, 2008, on file with the Secretary, of Raymond M. Haight relating to his services as bond counsel and disclosure counsel. The Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency are hereby authorized and directed to execute said agreement, with such changes or additions thereto as the Chairman, Vice-Chairman, Treasurer or Executive Director of the Agency may deem necessary; and the Secretary of the Agency is hereby authorized and directed to attest to said Fee Agreement. The fees and expenses of bond counsel and disclosure counsel shall be assessed as an incidental expense of the proceedings, payable from Housing Bond proceeds and not otherwise. If the Housing Bonds are not issued, no fees or expenses shall be due.

Section 10. Official Actions. The Chairman, the Vice-Chairman, the Treasurer, the Executive Director and the Secretary of the Agency, and any and all other officers of the Agency, are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Housing Bonds as described herein. Whenever in this resolution any officer of the Agency is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.
Section 11. Effective Date. This Resolution shall take effect from and after the date of its passage.

Chairman

ATTEST:

Secretary

(SEAL)
I, the undersigned Secretary of the Porterville Redevelopment Agency, hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the Agency at a meeting thereof on the 15th day of July 2008, by the following vote of the members thereof:

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSTAIN: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

________________________________________
Secretary
PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO.1
TAX ALLOCATION REFUNDING BONDS, 2008 SERIES C
(HOUSING PROJECTS)

PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO.1
TAXABLE TAX ALLOCATION BONDS, 2008 SERIES D
(HOUSING PROJECTS)

CERTIFICATE OF SECRETARY REGARDING RESOLUTION

The undersigned hereby states and certifies:

(i) that he is the duly appointed, qualified and acting Secretary of the Porterville Redevelopment Agency, a redevelopment agency duly organized and existing under the laws of the State of California (the "Agency"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that on July 15, 2008, the members of the Agency duly adopted Resolution No. RDA ___ 2008 (the "Resolution"), entitled "RESOLUTION APPROVING THE ISSUANCE AND SALE BY THE PORTERVILLE REDEVELOPMENT AGENCY OF ITS REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES C (HOUSING PROJECTS), AND ITS REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES D (HOUSING PROJECTS) TO FINANCE AND REFINANCE LOW AND MODERATE INCOME HOUSING ACTIVITIES WITHIN OR OF BENEFIT TO PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED ACTIONS," which Resolution has not been amended, supplemented, modified, rescinded or repealed and remains in full force and effect as of the date hereof.

Dated: July 15, 2008

PORTERVILLE REDEVELOPMENT AGENCY

______________________________
Secretary
CITY OF PORTERVILLE

RESOLUTION NO. __-2008

RESOLUTION APPROVING THE ISSUANCE BY THE PORTERVILLE REDEVELOPMENT AGENCY OF ITS REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES A (REDEVELOPMENT PROJECTS), AND ITS REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES B (REDEVELOPMENT PROJECTS) TO FINANCE AND REFINANCE REDEVELOPMENT ACTIVITIES WITHIN OR OF BENEFIT TO PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1

RESOLVED, by the City Council (the "Council") of the City of Porterville (the "City") as follows:

WHEREAS, the Porterville Redevelopment Agency (the "Agency") has determined at this time, due to prevailing interest rates in the municipal bond market, to issue its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds, 2008 Series A (Redevelopment Projects) (the "Series A Bonds"), and its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Taxable Tax Allocation Bonds, 2008 Series B (Redevelopment Projects) (the "Series B Bonds," and, together with the Series A Bonds, the "Redevelopment Bonds") under the provisions of Division 24, Part 1, Chapter 6, Article 5 (commencing with Section 33640 et seq.) of the California Health and Safety Code (the "Bond Law"), the principal of and interest on which will be payable from the tax increment revenues from the Agency's Redevelopment Project Area No. 1 (the "Redevelopment Project"), to finance redevelopment activities within or of benefit to the Redevelopment Project and to refund the non-housing portion of the Agency's Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, 2002 Tax Allocation Refunding Bonds; and

WHEREAS, in accordance with the requirements of Section 33640 et seq. of the California Health and Safety Code, the Council wishes at this time to approve the issuance and sale of the Redevelopment Bonds by the Agency;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Approval of the Redevelopment Bonds. The issuance and sale of the Redevelopment Bonds for the purpose of refunding the non-housing portion of the 2002 Bonds and to finance redevelopment activities within or of benefit to the Redevelopment Project is hereby approved.

Section 2. Sale of Bonds to Authority. The sale of the Bonds to the Porterville Public Financing Authority (the "Authority") and their simultaneous resale by the Authority to Wulff, Hansen & Co., as underwriter, all pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code Sections 6584 et seq.), is hereby approved.
Section 3. Effective Date. This Resolution shall take effect from and after the date of its passage.

________________________________________
Mayor

ATTEST:

________________________________________
City Clerk

(SEAL)

**********************************************************
I, the undersigned City Clerk of the City of Porterville, hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the City Council at a meeting thereof on the 15th day of July 2008, by the following vote of the members thereof:

AYES:    COUNCILMEMBERS:
NOES:    COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT:  COUNCILMEMBERS:

City Clerk
PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO.1
TAX ALLOCATION REFUNDING BONDS, 2008 SERIES A
(REDEVELOPMENT PROJECTS)

PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO.1
TAXABLE TAX ALLOCATION BONDS, 2008 SERIES B
(REDEVELOPMENT PROJECTS)

CERTIFICATE OF CITY CLERK REGARDING RESOLUTION

The undersigned hereby states and certifies:

(i) that he is the duly appointed, qualified and acting City Clerk of the City of Porterville, a municipal corporation (charter) duly organized and existing under the laws of the State of California (the "City"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that on July 15, 2008, the members of the City Council duly adopted Resolution No. ___-2008 (the "Resolution"), entitled "RESOLUTION APPROVING THE ISSUANCE BY THE PORTERVILLE REDEVELOPMENT AGENCY OF ITS REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES A (REDEVELOPMENT PROJECTS), AND ITS REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES B (REDEVELOPMENT PROJECTS) TO FINANCE AND REFINANCE REDEVELOPMENT ACTIVITIES WITHIN OR OF BENEFIT TO PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1," which Resolution has not been amended, supplemented, modified, rescinded or repealed and remains in full force and effect as of the date hereof.

Dated: July 15, 2008

CITY OF PORTERVILLE

______________________________
City Clerk
CITY OF PORTERVILLE

RESOLUTION NO. ___-2008

RESOLUTION APPROVING THE ISSUANCE BY THE PORTERVILLE REDEVELOPMENT AGENCY OF ITS REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES C (HOUSING PROJECTS), AND ITS REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES D (HOUSING PROJECTS) TO FINANCE AND REFINANCE LOW AND MODERATE INCOME HOUSING ACTIVITIES WITHIN OR OF BENEFIT TO PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1

RESOLVED, by the City Council (the "Council") of the City of Porterville (the "City") as follows:

WHEREAS, the Porterville Redevelopment Agency (the "Agency") has determined at this time, due to prevailing interest rates in the municipal bond market, to issue its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds, 2008 Series C (Housing Projects) (the "Series C Bonds"); and its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Taxable Tax Allocation Bonds, 2008 Series D (Housing Projects) (the "Series D Bonds," and, together with the Series C Bonds, the "Housing Bonds") under the provisions of Division 24, Part 1, Chapter 6, Article 5 (commencing with Section 33640 et seq.) of the California Health and Safety Code (the "Bond Law"), the principal of and interest on which will be payable from the tax increment revenues from the Agency's Redevelopment Project Area No. 1 (the "Redevelopment Project"), to finance low and moderate income housing activities within or of benefit to the Redevelopment Project and to refund the housing portion of the Agency's Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, 2002 Tax Allocation Refunding Bonds; and

WHEREAS, in accordance with the requirements of Section 33640 et seq. of the California Health and Safety Code, the Council wishes at this time to approve the issuance and sale of the Housing Bonds by the Agency;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Approval of the Housing Bonds. The issuance and sale of the Housing Bonds for the purpose of refunding the housing portion of the 2002 Bonds and to finance low and moderate income housing activities within or of benefit to the Redevelopment Project is hereby approved.

Section 2. Sale of Bonds to Authority. The sale of the Bonds to the Porterville Public Financing Authority (the "Authority") and their simultaneous resale by the Authority to Wulff, Hansen & Co., as underwriter, all pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code Sections 6584 et seq.), is hereby approved.

ATTA CHMENT
ITEM NO. 6
Section 3. Effective Date. This Resolution shall take effect from and after the date of its passage.

ATTEST:

______________________________
City Clerk

(SEAL)
I, the undersigned City Clerk of the City of Porterville, hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the City Council at a meeting thereof on the 15th day of July 2008, by the following vote of the members thereof:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

City Clerk
PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1
TAX ALLOCATION REFUNDING BONDS, 2008 SERIES C
(HOUSING PROJECTS)

PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1
TAXABLE TAX ALLOCATION BONDS, 2008 SERIES D
(HOUSING PROJECTS)

CERTIFICATE OF CITY CLERK REGARDING RESOLUTION

The undersigned hereby states and certifies:

(i) that he is the duly appointed, qualified and acting City Clerk of the City of Porterville, a municipal corporation (charter) duly organized and existing under the laws of the State of California (the "City"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that on July 15, 2008, the members of the City Council duly adopted Resolution No. 2008 (the "Resolution"), entitled "RESOLUTION APPROVING THE ISSUANCE BY THE PORTERVILLE REDEVELOPMENT AGENCY OF ITS REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES C (HOUSING PROJECTS), AND ITS REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES D (HOUSING PROJECTS) TO FINANCE AND REFINANCE LOW AND MODERATE INCOME HOUSING ACTIVITIES WITHIN OR OF BENEFIT TO PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1," which Resolution has not been amended, supplemented, modified, rescinded or repealed and remains in full force and effect as of the date hereof.

Dated: July 15, 2008

CITY OF PORTERVILLE

______________________________
City Clerk
PORTERVILLE PUBLIC FINANCING AUTHORITY

RESOLUTION NO. PFA __-2008

RESOLUTION APPROVING THE PURCHASE AND SALE OF THE PORTERVILLE REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES A (REDEVELOPMENT PROJECTS), AND THE PORTERVILLE REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES B (REDEVELOPMENT PROJECTS) AND APPROVING RELATED DOCUMENTS AND ACTIONS

RESOLVED, by the Board of Directors of the Porterville Public Financing Authority (the "Authority") as follows:

WHEREAS, the Porterville Redevelopment Agency (the "Agency") is undertaking the redevelopment of the Porterville Redevelopment Project Area No. 1 (the "Redevelopment Project") pursuant to the Community Redevelopment Law of the State of California, constituting Part I of Division 24 of the California Health and Safety Code;

WHEREAS, the Agency has determined at this time, due to prevailing interest rates in the municipal bond market, to issue its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds, 2008 Series A (Redevelopment Projects) (the "Series A Bonds") and its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Taxable Tax Allocation Bonds, 2008 Series B (the "Series B Bonds," and, together with the Series A Bonds, the "Redevelopment Bonds"), under the provisions of Division 24, Part I, Chapter 6, Article 5 (commencing with Section 33640 et seq.) of the California Health and Safety Code (the "Bond Law"), the principal of and interest on which will be payable from the tax increment revenues from the Redevelopment Project, to finance certain redevelopment activities within or of benefit to the Redevelopment Project and to refund the non-housing portion of the Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, 2002 Tax Allocation Refunding Bonds issued by the Agency on February 13, 2002; and

WHEREAS, the purposes stated above will be accomplished by the Authority purchasing the Redevelopment Bonds from the Agency and, simultaneously, selling the Redevelopment Bonds to Wulf, Hansen & Co. (the "Underwriter") pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code Sections 6584 et seq.); and

WHEREAS, the Authority has duly considered such transactions and wishes at this time to approve the purchase and sale of the Redevelopment Bonds, and to authorize and approve related documents and actions;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Purchase and Sale of the Redevelopment Bonds. The purchase of the Redevelopment Bonds by the Authority from the Agency and their simultaneous resale by the Authority to the Underwriter, all pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code Sections 6584 et seq.), is hereby approved.
Section 2. Approval of Bond Purchase Agreement. The Authority hereby approves the bond purchase agreement, by and among the Underwriter, the Agency and the Authority, in substantially the form on file with the Secretary (the "Redevelopment Bond Purchase Agreement"), together with such additions thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Authority shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Authority shall be conclusive evidence of the approval of any such additions and changes. The Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Authority is hereby authorized and directed to execute the final form of the Redevelopment Bond Purchase Agreement for and in the name and on behalf of the Authority. The Authority hereby approves the negotiated sale of the Redevelopment Bonds to the Underwriter pursuant to the Redevelopment Bond Purchase Agreement.

Section 3. Official Actions. The Chairman, the Vice-Chairman, the Treasurer or Executive Director and the Secretary of the Authority, and any and all other officers of the Authority, are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful purchase and sale of the Redevelopment Bonds as described herein. Whenever in this resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage.

______________________________
Chairman

______________________________
Secretary

(SEAL)

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I, the undersigned Secretary of the Porterville Public Financing Authority, hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the Authority at a meeting thereof on the 15th day of July 2008, by the following vote of the members thereof:

AYES: BOARDMEMBERS:
NOES: BOARDMEMBERS:
ABSTAIN: BOARDMEMBERS:
ABSENT: BOARDMEMBERS:

[Signature]
Secretary
$PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO.1
TAX ALLOCATION REFUNDING BONDS, 2008 SERIES A
(REDEVELOPMENT PROJECTS)

$PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO.1
TAXABLE TAX ALLOCATION BONDS, 2008 SERIES B
(REDEVELOPMENT PROJECTS)

CERTIFICATE OF SECRETARY REGARDING RESOLUTION

The undersigned hereby states and certifies:

(i) that he is the duly appointed, qualified and acting Secretary of the Porterville Public Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that on July 15, 2008, the members of the Authority duly adopted Resolution No. PFA-2008 (the "Resolution"), entitled "RESOLUTION APPROVING THE PURCHASE AND SALE OF THE PORTERVILLE REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES A (REDEVELOPMENT PROJECTS), AND THE PORTERVILLE REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES B (REDEVELOPMENT PROJECTS) AND APPROVING RELATED DOCUMENTS AND ACTIONS," which Resolution has not been amended, supplemented, modified, rescinded or repealed and remains in full force and effect as of the date hereof.

Dated: July 15, 2008

PORTERVILLE PUBLIC FINANCING AUTHORITY

______________________________
Secretary
PORTERVILLE PUBLIC FINANCING AUTHORITY

RESOLUTION NO. PFA 2008-03

RESOLUTION APPROVING THE PURCHASE AND SALE OF THE PORTERVILLE REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES C (HOUSING PROJECTS), AND THE PORTERVILLE REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES D (HOUSING PROJECTS) AND APPROVING RELATED DOCUMENTS AND ACTIONS

RESOLVED, by the Board of Directors of the Porterville Public Financing Authority (the "Authority") as follows:

WHEREAS, the Porterville Redevelopment Agency (the "Agency") is undertaking the redevelopment of the Porterville Redevelopment Project Area No. 1 (the "Redevelopment Project") pursuant to the Community Redevelopment Law of the State of California, constituting Part I of Division 24 of the California Health and Safety Code;

WHEREAS, the Agency has determined at this time, due to prevailing interest rates in the municipal bond market, to issue its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Tax Allocation Refunding Bonds, 2008 Series C (Housing Projects) (the "Series C Bonds") and its Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, Taxable Tax Allocation Bonds, 2008 Series D (the "Series D Bonds," and, together with the Series C Bonds, the "Housing Bonds"), under the provisions of Division 24, Part 1, Chapter 6, Article 5 (commencing with Section 33640 et seq.) of the California Health and Safety Code (the "Bond Law"), the principal of and interest on which will be payable from the tax increment revenues from the Redevelopment Project, to finance certain low and moderate income housing activities within or of benefit to the Redevelopment Project and to refund the housing portion of the Porterville Redevelopment Agency, Porterville Redevelopment Project Area No. 1, 2002 Tax Allocation Refunding Bonds issued by the Agency on February 13, 2002; and

WHEREAS, the purposes stated above will be accomplished by the Authority purchasing the Housing Bonds from the Agency and, simultaneously, selling the Housing Bonds to Wulf, Hansen & Co. (the "Underwriter") pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code Sections 6584 et seq.); and

WHEREAS, the Authority has duly considered such transactions and wishes at this time to approve the purchase and sale of the Housing Bonds, and to authorize and approve related documents and actions;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Purchase and Sale of the Housing Bonds. The purchase of the Housing Bonds by the Authority from the Agency and their simultaneous resale by the Authority to the Underwriter, all pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code Sections 6584 et seq.), is hereby approved.
Section 2. Approval of Bond Purchase Agreement. The Authority hereby approves the bond purchase agreement, by and among the Underwriter, the Agency and the Authority, in substantially the form on file with the Secretary (the "Redevelopment Bond Purchase Agreement"), together with such additions thereto and changes therein as the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Authority shall deem necessary, desirable or appropriate, and the execution thereof by the Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Authority shall be conclusive evidence of the approval of any such additions and changes. The Chairman, the Vice-Chairman, the Treasurer or Executive Director of the Authority is hereby authorized and directed to execute the final form of the Redevelopment Bond Purchase Agreement for and in the name and on behalf of the Authority. The Authority hereby approves the negotiated sale of the Housing Bonds to the Underwriter pursuant to the Redevelopment Bond Purchase Agreement.

Section 3. Official Actions. The Chairman, the Vice-Chairman, the Treasurer or Executive Director and the Secretary of the Authority, and any and all other officers of the Authority, are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful purchase and sale of the Housing Bonds as described herein. Whenever in this resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage.

ATTEST:  

[Signature]

(Chairman)

(SEAL)

(SEAL)
I, JOHN LONGLEY, the duly appointed Executive Secretary of the Porterville Public Financing Authority do hereby certify and declare that the foregoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Porterville Public Financing Authority of the City of Porterville at a regular meeting of the Authority regularly called and held on the 15th day of July, 2008.

THAT said resolution was duly passed adopted by the following vote:

<table>
<thead>
<tr>
<th>Members:</th>
<th>McCracken</th>
<th>P. Martinez</th>
<th>F. Martinez</th>
<th>Ward</th>
<th>Hamilton</th>
</tr>
</thead>
<tbody>
<tr>
<td>AYES:</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>NOES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABSTAIN:</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABSENT:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

JOHN LONGLEY, Executive Secretary
PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1
TAX ALLOCATION REFUNDING BONDS, 2008 SERIES C
(HOUSING PROJECTS)

PORTERVILLE REDEVELOPMENT AGENCY
PORTERVILLE REDEVELOPMENT PROJECT AREA NO. 1
TAXABLE TAX ALLOCATION BONDS, 2008 SERIES D
(HOUSING PROJECTS)

CERTIFICATE OF SECRETARY REGARDING RESOLUTION

The undersigned hereby states and certifies:

(i) that he is the duly appointed, qualified and acting Secretary of the Porterville Public Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that on July 15, 2008, the members of the Authority duly adopted Resolution No. PFA 2008-03 (the "Resolution"), entitled "RESOLUTION APPROVING THE PURCHASE AND SALE OF THE PORTERVILLE REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT AREA NO. 1 TAX ALLOCATION REFUNDING BONDS, 2008 SERIES C (HOUSING PROJECTS), AND THE PORTERVILLE REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT AREA NO. 1 TAXABLE TAX ALLOCATION BONDS, 2008 SERIES D (HOUSING PROJECTS) AND APPROVING RELATED DOCUMENTS AND ACTIONS," which Resolution has not been amended, supplemented, modified, rescinded or repealed and remains in full force and effect as of the date hereof.

Dated: July 15, 2008

PORTERVILLE PUBLIC FINANCING AUTHORITY

[Signature]

John Longley, Secretary
SUCCESSOR AGENCY OVERSIGHT BOARD AGENDA: May 9, 2012

SCHEDULED MATTERS

SUBJECT: REVIEW AND APPROVAL OF DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: The California Supreme Court's decision in California Redevelopment Association, et al. v. Matosantos ("Matosantos") upheld Assembly Bill X1 26, the "Dissolution Act," which added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code. The Dissolution Act has caused the dissolution of all California redevelopment agencies, and successor agencies will wind down the affairs of the former agencies. In September 2011, by resolution, the City Council elected for the City to become and serve as the "Successor Agency" to the community's dissolved Redevelopment Agency ("Agency"). As of February 1, 2012, the Agency was dissolved and the City acts and serves as the "Successor Agency." The City is performing its functions as the Successor Agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs and, where applicable, subject to the review and approval by the seven-member Oversight Board.

Prior to its dissolution and pursuant to Part 1.8, the Agency adopted a draft Initial Recognized Obligation payment Schedule (IROPS) Pursuant to Section 34171(g) of part 1.85, a "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivision (m) of Section 34177. Under the dates in the Dissolution Act as reformed by the Supreme court, the Successor Agency was required to consider and adopt a Recognized Obligation payment Schedule (ROPS) on or before March 1, 2012, which is comparable to the draft IROPS previously adopted by the former Agency.

Section 34177 (k) of Part 1.85 requires the Successor Agency to take actions with regard to the Recognized Obligation Payment Schedule (ROPS) as follows:

"(2)(A) A draft Recognized Obligation Payment Schedule is prepared by the successor agency for the enforceable obligations of the former
redevelopment agency by March 1, 2012. From February 1, 2012, to July 1, 2012, the initial draft of that schedule shall project the dates and amounts of scheduled payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had such a redevelopment agency not been dissolved, and shall be reviewed and certified, as to its accuracy, by an external auditor designated pursuant to California Health and Safety Code Section 34182.

(B) The certified Recognized Obligation payment Schedule is submitted to and duly approved by the Oversight Board.

(C) A copy of the approved Recognized Obligation Payment Schedule (after review and certification by the external auditor) is submitted to the county auditor-controller and both the Controller’s office and the Department of Finance and posted on the successor agency’s Internet Website.

(3) The Recognized Obligation Payment Schedule shall be forward looking to the next six months. The first Recognized Obligation payment Schedule shall be submitted to the Controller’s office and the Department of Finance by April 15, 2012, for the period of May 1, 2012, to June 30, 2012, inclusive. Former redevelopment agency enforceable obligation payments due, and reasonable or necessary administrative costs due or incurred, prior to January 1, 2012, shall be made from property tax revenues received in the spring of 2011 property tax distribution, and from other revenues and balances transferred to the successor agency.”

By resolution on February 21, 2012, the City Council, acting and serving as the Successor Agency, adopted the initial ROPS and took certain other actions, but review and certification as to accuracy by an external auditor designated by the County Auditor-Controller has not yet occurred.
Similar to the Successor Agency’s action, it is recommended that the Oversight Board review and approve the Draft ROPS, subject to review and certification as to accuracy by the external auditor designated by the County Auditor-Controller and authorize the Successor Agency’s Community Development Director to also augment, modify, add or revise the schedule as may be needed.

RECOMMENDATION: That the Oversight Board:

1. Approve the Draft Recognized Obligation Payment Schedule (Draft ROPS) subject to submittal to, and review and certification by an independent auditor selected by the County, which Draft ROPS was originally adopted by the Successor Agency by the City Council Actions and Serving as the Successor Agency on February 21, 2012, provided that should any modification be required to the ROPS by the independent auditor or by DOF, the Community Development Director and/or Community Development Project Manager shall be authorized designees for making any augmentation, modification, additions or revisions as may be necessary; and

2. Adopt draft Oversight Board Resolution approving the Draft ROPS for the period of July 1, 2012 through December 31, 2012 and transmittal thereof.

ATTACHMENT: 1. Draft Recognized Obligations Payment Schedule
2. Draft Oversight Board Resolution

(Note that the above actions of the Oversight Board shall not become effective for three business days, pending any request for review by the DOF. If DOF requests review of the above Board actions, it will have 10 days from the date of its request to approve the Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF).
## RECOGNIZED OBLIGATION PAYMENT SCHEDULE

**Per AB 26 - Section 34167 and 34169**

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Source</th>
<th>Description</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year</th>
<th>Payments by month July through December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>July</td>
<td>Aug</td>
<td>Sept</td>
</tr>
<tr>
<td>1 2008 Tax Allocation Bonds Series A</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund non-housing projects</td>
<td>8,530,369.00</td>
<td>304,345.00</td>
<td>$187,173.00</td>
</tr>
<tr>
<td>2 2008 Tax Allocation Bonds Series B</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund non-housing projects</td>
<td>5,183,924.00</td>
<td>183,686.00</td>
<td>$101,849.00</td>
</tr>
<tr>
<td>3 2008 Tax Allocation Bonds Series C</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund housing projects</td>
<td>2,160,475.00</td>
<td>79,930.00</td>
<td>$49,758.00</td>
</tr>
<tr>
<td>4 2008 Tax Allocation Bonds Series D</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund housing projects</td>
<td>1,563,958.00</td>
<td>55,001.00</td>
<td>$30,001.00</td>
</tr>
<tr>
<td>5 2008 Tax Allocation Bond Reserves</td>
<td>Funded</td>
<td>Funded</td>
<td>Reserve for bonds</td>
<td>635,453.00</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>6 2008 Tax Allocation Bond Admin.</td>
<td>US Bank</td>
<td>Tax Increment</td>
<td>Administration of bonds (now)</td>
<td>4,650.00</td>
<td>$4,650.00</td>
<td>$4,650.00</td>
</tr>
<tr>
<td>7 2008 Tax Allocation Bond Administration</td>
<td>Arbitrage Compliance Spec</td>
<td>Tax Increment</td>
<td>Arbitrage Next payment of approx. $5,000 in 2013</td>
<td>30,000.00</td>
<td>0.00</td>
<td>$13,936.00</td>
</tr>
<tr>
<td>8 Rural Eco. Dev. Infrastructure</td>
<td>St. of Calif Dept of Commerce</td>
<td>Tax Increment</td>
<td>Loan for Infrastructure</td>
<td>125,423.00</td>
<td>27,872.00</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>9 Rural Eco. Dev. Infrast. Proj. Reserv</td>
<td>Funded</td>
<td>Funded</td>
<td>Reserve for REDIP</td>
<td>33,079.00</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

### Successor Agency Administration:
- City of Porterville, Shafter
- Admin Cost: Operation of Successor Agency, cost to administer
- Agency Administration Cost
- Yucca Karen & Raund and
- Allowance: Successor Agency and cost associated with the
- Oversight Committee Cost
- Rosewood Sperance Group
- Oversight Board
- Gelling LLP

### Totals - This Page
- $15,282,200.00
- $855,102.00
- $16,566.67
- $16,566.67
- $16,566.67
- $16,566.67
- $21,315.67
- $399,383.67
- $487,377.00

### Totals - Page 2
- $15,282,200.00
- $855,102.00
- $16,566.67
- $16,566.67
- $16,566.67
- $16,566.67
- $21,315.67
- $399,383.67
- $487,377.00

### Totals - Page 3
- $15,282,200.00
- $855,102.00
- $16,566.67
- $16,566.67
- $16,566.67
- $16,566.67
- $21,315.67
- $399,383.67
- $487,377.00

### Totals - Page 4
- $15,282,200.00
- $855,102.00
- $16,566.67
- $16,566.67
- $16,566.67
- $16,566.67
- $21,315.67
- $399,383.67
- $487,377.00

### Totals - Other Obligations
- $15,282,200.00
- $855,102.00
- $16,566.67
- $16,566.67
- $16,566.67
- $16,566.67
- $21,315.67
- $399,383.67
- $487,377.00

*Bond and REDIP payments are due May and November each year. Receipt of funds is needed earlier to allow time to process payments.*
OVERSIGHT BOARD RESOLUTION NO. 2012-

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE PORTERVILLE REDEVELOPMENT AGENCY APPROVING THE DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE PERSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AUTHORIZE POSTING AND TRANSMITTAL THEREOF

WHEREAS, the Porterville Redevelopment Agency ("Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, et seq. ("CRL"), and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Porterville ("City"); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies ("Dissolution Act"); and

WHEREAS, on December 29, 2011, in the petition California Redevelopment Association v. Matosantos, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012, under the dates in the Dissolution Act that were reformed and extended thereby ("Supreme Court Decision"); and

WHEREAS, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, by a resolution considered and approved by the City Council at an open public meeting, the City chose to become and serve as the successor agency to the dissolved Agency under the Dissolution Act; and

WHEREAS, as of and on and after February 1, 2012, the City serves and acts as the "Successor Agency" and will perform its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

WHEREAS, pursuant to Section 34179 the Successor Agency's Oversight Board has been formed and the initial meeting has occurred on April 11, 2012; and

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

WHEREAS, by resolution on January 31, 2012, the former Agency adopted an enforceable obligation payment schedule ("EOPS") pursuant to Section 34169(g) of the Dissolution Act; and

ATTACHMENT
ITEM NO. 2
WHEREAS, by resolution on January 31, 2012, the former Agency adopted an initial recognized obligation payment schedule ("IROPS") pursuant to Section 34169(h) of the Dissolution Act and submitted such IROPS to the City, as Successor Agency; and

WHEREAS, by resolution on February 21, 2012, the Successor Agency adopted the initial recognized obligation payment schedule ("ROPS") pursuant to Section 34177 of the Dissolution Act and has submitted such ROPS to the Oversight Board; and

WHEREAS, by resolution on April 11, 2012, the Oversight Board adopted the initial recognized obligation payment schedule ("ROPS"), for the period of February 1, 2012 through June 30, 2012, pursuant to Section 34177 of the Dissolution Act; and

WHEREAS, the Oversight Board has received, reviewed, and desires to approve the Draft ROPS, for the period of July 1, 2012, through December 31, 2012, and to authorize the Successor Agency to post the Draft ROPS on the City/Successor Agency website and to transmit the Draft ROPS to the County Auditor-Controller, the State Department of Finance ("DOF"), and the State Controller’s Office; and

WHEREAS, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for three (3) business days pending any request for review by the DOF, and if the DOF requests review hereof, DOF will have 10 days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE PORTERVILLE REDEVELOPMENT AGENCY:

1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

2. Pursuant to the Dissolution Act, the Oversight Board approves the Draft ROPS submitted herewith as Attachment 1, which schedules are incorporated herein by this reference.

3. The Oversight Board authorizes the Successor Agency to transmit the Draft ROPS to the County Auditor-Controller, the State Department of Finance, and the State Controller’s Office.

4. The Community Development Director of the Successor Agency or his authorized designee is directed to post the Draft ROPS on the City/Successor Agency website pursuant to the Dissolution Act.

5. The Community Development Director and/or Community Development Project Manager shall be authorized designees for making any augmentation, modification, additions or revisions as may be necessary.
6. This Resolution shall be effective after transmittal of this Resolution with the ROPS attached to the DOF and the expiration of three (3) business days pending a request for review by the DOF within the time periods set forth in the Dissolution Act; in this regard, if the DOF requests review hereof it will have 10 days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.

7. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

**APPROVED AND ADOPTED** this _____ day of _________, 2012.

__________________________
Chair,
Oversight Board to the Successor Agency of the Porterville Redevelopment Agency

(SEAL)

ATTEST:

__________________________
Secretary,
Oversight Board to the Successor Agency of the Porterville Redevelopment Agency
STATE OF CALIFORNIA    )
COUNTY OF TULARE     ) ss.
CITY OF PORTERVILLE  )

I, __________________________, Secretary of the Oversight Board to the to the Successor Agency of the Porterville Redevelopment Agency, hereby certify that the foregoing resolution was duly adopted by the Oversight Board at a special meeting held on the _____ day of _________, 2012, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

_____________________________________
Secretary,
Oversight Board to the Successor Agency of the Porterville Redevelopment Agency

(SEAL)
# Recognized Obligation Payment Schedule

**Per AB 26 - Section 34167 and 34169**

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Source</th>
<th>Description</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year</th>
<th>Payments by Month July through December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>July</td>
</tr>
<tr>
<td>1 2008 Tax Allocation Bond Series A</td>
<td>UB Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund non-housing projects</td>
<td>5,850,368.00</td>
<td>304,345.00</td>
<td>187,172.00</td>
</tr>
<tr>
<td>2 2008 Tax Allocation Bond Series B</td>
<td>UB Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund non-housing projects</td>
<td>5,183,624.00</td>
<td>183,699.00</td>
<td><strong>101,849.00</strong></td>
</tr>
<tr>
<td>3 2008 Tax Allocation Bond Series C</td>
<td>UB Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund housing projects</td>
<td>2,160,475.00</td>
<td>79,635.00</td>
<td>49,766.00</td>
</tr>
<tr>
<td>4 2008 Tax Allocation Bond Series D</td>
<td>UB Bank</td>
<td>Tax Increment</td>
<td>Bonds issued to fund housing projects</td>
<td>1,953,558.00</td>
<td>55,001.00</td>
<td>20,001.00</td>
</tr>
<tr>
<td>5 2008 Tax Allocation Bond Reserves</td>
<td>Funded</td>
<td>Funded</td>
<td>Reserve for bonds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 2008 Tax Allocation Bond Admin.</td>
<td>UB Bank</td>
<td>Tax Increment</td>
<td>Administration of bonds (New)</td>
<td></td>
<td>4,650.00</td>
<td>4,650.00</td>
</tr>
<tr>
<td>7 2008 Tax Allocation Bond Arbitration</td>
<td>Arbitrage Compliance Spec.</td>
<td>Tax Increment</td>
<td>Arbitrage next payment of approx. $5,000 in 2013</td>
<td>30,000.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>8 Rural Eco. Dev. Infrastructure Prog</td>
<td>St. of Calif Dept of Commerce</td>
<td>Tax Increment</td>
<td>Loan for infrastructure</td>
<td>125,423.00</td>
<td>27,872.00</td>
<td></td>
</tr>
<tr>
<td>9 Rural Eco. Dev. Infrast. Prog Rev</td>
<td>Funded</td>
<td>Funded</td>
<td>Reserve for REDIP</td>
<td></td>
<td></td>
<td>15,036.00</td>
</tr>
<tr>
<td>10 Successor Agency Administration</td>
<td>City of Porterville, Stratign</td>
<td>Admin Cost</td>
<td>Operation of Successor Agency, cost to administer</td>
<td>200,000.00</td>
<td>16,866.67</td>
<td>16,866.67</td>
</tr>
</tbody>
</table>

**Notes:**
- Bond and REDIP payments are due May and November each year. Receipt of funds is needed earlier to allow time to process payments.

**ATTACHMENT ITEM NO.**

**Totals - This Page**
- $16,202,280.00
- **$855,102.00**
- **$16,866.67**
- **$16,866.67**
- **$16,866.67**
- **$21,316.67**
- $399,393.67
- **$487,377.00**

**Totals - Page 2**
- $560,000.00
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**

**Totals - Page 3**
- $600,000.00
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**

**Totals - Page 4**
- $600,000.00
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**
- **$20,000.00**

**Totals - Other Obligations**
- **$6,000,000.00**
- **$200,000.00**
- **$200,000.00**
- **$200,000.00**
- **$200,000.00**
- **$200,000.00**
- **$200,000.00**

**Grand Total - All Pages**
- **$16,202,280.00**
- **$855,102.00**
- **$16,866.67**
- **$16,866.67**
- **$16,866.67**
- **$21,316.67**
- **$399,393.67**
- **$487,377.00**